





## Western Nations Set Limits On Soviet Gas Dependence

By Axel Krause  
International Herald Tribune

PARIS — In a compromise agreement to avert disputes among the Western allies over Soviet natural gas supplies, the International Energy Agency said Monday that its member governments would avoid "undue dependence" on any single source of natural gas in the future.

At the same time, it called on IEA members to pursue development of alternative gas sources, notably in the North Sea and in North America. The agreement was announced by William F. Birch, New Zealand's minister of energy, who chaired a two-day meeting of IEA energy ministers that ended in Paris Monday.

Senior U.S. diplomatic officials said that they viewed the accord as a significant diplomatic achievement for the Reagan administration, which had been seeking a commitment from its allies to avoid increasing their dependence on Soviet gas.

"The provisions and wording in the agreement, while low-key and not quantitative, mean the same thing — we all agree to limit our dependence on the Soviets, while actively pursuing other alternatives," a senior U.S. official said.

He and European officials added that France, although not an IEA member, was endorsing the agreement through its membership in the Organization for Economic Co-operation and Development, whose

annual, two-day ministerial meeting began Monday. Most of the key provisions in the IEA agreement were expected to be incorporated into the final OECD communiqué on Tuesday.

"The French are on board now, so our frictions over East-West trade have been greatly diminished," another U.S. official said. He added, "We feel that the gas agreement will also help the atmosphere" at the Williamsburg, Virginia, summit of seven industrialized countries May 29-30.

The official was referring to objections raised not only by France but by several other Western European governments regarding a U.S. effort to obtain agreement from the 21-nation IEA that countries limit their dependence on any single source of natural gas to 30 percent of total requirements.

Answering questions at a news conference, U.S. Energy Secretary Donald P. Hodel said that the administration had been "flexible all along" in pursuing an agreement to limit imports of Soviet gas, stating that "we recognized that for some countries 30 percent would just not be feasible."

What emerged, he said, was "a qualitative, rather than a quantitative" agreement, which also contained provisions to further monitoring and study of future gas supplies for Western Europe.

Announcing the agreement, which also referred to security considerations related to oil and the need to develop other energy alter-

natives, such as coal, Mr. Birch said that a Soviet plan for expanding its natural gas pipeline capacity was raised during the IEA meeting, but he emphasized it was discussed in a context of what he termed "other possibilities" for obtaining new gas supplies.

Mr. Birch noted that the IEA communiqué encouraged companies to undertake feasibility studies, "if appropriate in cooperation with member governments, to determine the economic, engineering, technical and financial factors relevant to possible imports from a variety" of non-OECD sources. U.S. officials said that this would include study of a project being suggested by the Spanish government to bring African gas to Western Europe via a pipeline through the Strait of Gibraltar.

As other possible sources, the communiqué singled out North America and the Norwegian Troll field in the North Sea, which may become commercial in 1984. A senior Norwegian official said his government was delighted with the IEA statement. "It will help the negotiations to develop the Troll fields," he said.

Commenting on oil, IEA ministers expressed concern that the present sharply lower oil prices could slow down investments in development of energy-saving industries and renewed their call for "fulfillment of policies of oil substitution, energy conservation and energy research and development."

## Pontiff Says the Church Erred on Galileo Ruling

The Associated Press

VATICAN CITY — Pope John Paul II, declaring there must be separation between science and the "essentials of faith," said Monday the Catholic Church erred in condemning Galileo 350 years ago.

"We cast our minds back to an age when there had developed between science and faith grave incomprehension, the result of misunderstandings or errors, which only humble and patient re-examination succeeded in gradually dispelling," the pope told a group of scientists.

He said the church's 17th century scientific position came from "a culturally influenced reading of the Bible."

But the pope did not formally renounce the trial of Galileo, nor did he reverse the church's old position. The pope made his remarks in French to representatives of Science for Peace. Nearly 200 scientists, including 33 Nobel laureates, and 22 cardinals attended the audience at the Sala Regia in the Apostolic Palace.

The inquisition condemned Galileo, who was born in 1564 and died 1642, to house arrest in 1633 for his assertion that the Earth was a planet revolving around the sun rather than the center of the universe. He was forced to renounce his beliefs.

The pontiff, who has been trying in recent years to improve church relations with scientists, said a commission he appointed in 1979 to study the Galileo trial still must report back to him.

He would like to say that the church's experience, during the Galileo affair and after it, has led to a more mature attitude and to a more accurate grasp of the authority proper to her," he added.

## OECD Ministers Stress Linkage in Economies

(Continued from Page 1)

of political intervention that boosted it to artificially higher levels."

He said that the East's growing reliance on compensation deals for imports and the Eastern countries' attempts to "play off Western suppliers against each other" are practices that need to be monitored. He called on the OECD to do this.

The West German minister of foreign affairs, Hans-Dietrich Genscher, noting that "trade and economic co-operation make an important contribution to... constructive relations between East and West," said that "we want to continue and expand these relations, of course under reasonable commercial conditions."

Ministers are agreed that trade and credit flows "should be governed by market considerations and should not be artificially supported."

On North-South relations, the ministers agreed to maintain and, as far as possible, to increase their aid. They agreed to ensure adequate funding from all contributors of the multilateral programs of financial and technical assistance.

The aim, the ministers agreed, is to ensure that the supply of finance to debtor countries in support of domestic adjustment policies is sufficient to maintain or restore adequate levels of imports.

In addition, they "reaffirmed their readiness to work, in a spirit of understanding and cooperation, with the developing countries and other participants at Unctad VI [UN Conference on Trade and Development] next month with the

aim of reaching a common understanding of current world economic problems."

The ministers recommended that developing countries diversify their sources of external finance by making "fuller use of the potential for direct investment" — encouraging foreign firms to build plants and equipment. But in the meantime, they were agreed, commercial banks will have to continue to play a major role in providing finance.

The U.S. Treasury secretary, Donald T. Regan, said the group that banks will have to increase their exposure to developing countries even though "some possible unpleasant developments" such as "second round" reschedulings "cannot be ruled out." The banks, he said, "must be aware of the dangers to them and to the world financial system should they attempt to reduce their exposure during the adjustment process currently under way."

The ministers said the best solution for the debt problem of these countries would be for the industrialized countries to expand their own rate of growth and thereby raise the level of imports from developing countries and at the same time reduce the trade barriers that impede such imports.

## Uneasiness On Missiles

(Continued from Page 1)

ter Poul Schlüter and his ministers will have no choice but to swallow their rebuffs in parliament on the missile issue.

Ironically, it was the Social Democrats in power in 1979 who approved NATO's two-track plan of negotiating with the Russians on arms reductions while proceeding with preparations for new missiles.

Kjeld Olesen, a former Social Democratic foreign minister, said that 1983 "should not be the decisive year" for deploying the weapons. His party advocates a form of nuclear freeze, setting a new deadline for the talks and in the meantime suspending work on missile sites.

Mr. Olesen said the Russians should also cease deployment of their SS-20 missiles, adding that the Social Democrats and their supporters favor substantial reduction of the Soviet arsenal.

But, expressing a view that could well lead to tensions among NATO's European members, he said "we find it logical" that a total of 162 British and French nuclear weapons should be included in the bargaining.

Britain and France have adamantly opposed the figuring of their national nuclear forces into a package with U.S. medium-range weapons, as the Soviet leader Yuri V. Andropov has proposed.

To attract the broadest possible backing, the Danish peace movement has concentrated on the missile, sidestepping the matter of the country's continued membership in NATO and other defense issues, according to Otto Gieseemann, a professor at Copenhagen University and Kirsten Bruun, the young editor of an antinuclear magazine.

The main point, said Mr. Gieseemann, is that "we don't believe that the security problems of Europe can be solved by adding more weapons."

## Pravda Cites Andropov In New Role

First Mention as Chief Of Defense Council

Reuters

MOSCOW — Yuri V. Andropov, leader of the Soviet Union, was referred to Monday for the first time as chairman of the Soviet Defense Council, the body thought to have supreme control in the event of war.

Defense Minister Dmitri F. Ustinov made the reference in an article in Pravda marking the 38th anniversary of the victory in World War II.

"The Communist Party pays continual attention to the country's defense capabilities and to the fighting strength of the army and fleet," Marshal Ustinov wrote. "Due attention to dealing with these issues is given by the general secretary of the central committee and chairman of the Defense Council, comrade Yuri Andropov."

The council chairmanship was one of three top posts held by Mr. Andropov's predecessor, Leonid I. Brezhnev. But it is not clear whether the job automatically goes with being Communist Party leader.

Mr. Brezhnev was also head of state and took the title of president, but Mr. Andropov has not been given this office.

Marshal Ustinov's article contained praise of Mr. Andropov, commending his wartime role and underlying the armed forces' support for him.

The Defense Council is the effective successor to the Defense Council headed by Lenin during the civil war of the 1920s and the Defense Committee headed by Stalin from 1941-45.

When Mr. Andropov was elected to succeed Mr. Brezhnev as party leader last November there was wide speculation about whether he would be given the all-embracing power that Mr. Brezhnev enjoyed among Soviet leaders.

He has since been elected a member of the Presidium of the Supreme Soviet, the country's rubber stamp parliament, although the post of president has remained vacant.

## Thatcher Sets Election

(Continued from Page 1)

primarily sought to depict the prime minister's action as a "cut and run" maneuver.

The creation of the centrist alliance since the last election adds an unpredictable element to British politics.

The Social Democrats' standing has been weakening lately, but the Liberal Party, and in particular its leader, David Steel, has done well in some polls and parliamentary special elections. The alliance's long-shot hope is that it could hold the balance of power in the new Parliament.

The Conservatives currently have 334 seats in the 635-seat Parliament, compared with the Labor Party's 239 and 42 for the Liberal-Social Democratic alliance. The remainder are held by small parties and the Speaker of the chamber, with two seats vacant.

Mrs. Thatcher goes into the campaign as a heavy favorite who could even lead her party to a landslide triumph if the main trends in national opinion surveys during the past year are sustained.

Since Britain's victory over Argentina in last year's Falklands war, Mrs. Thatcher has basked in a reputation for what Tory banners call "The Resolute Approach."

Both privately, and from all accounts, Mrs. Thatcher is confident that she will be resoundingly re-elected.

The overriding issue in the campaign will be the Conservative economic policies.

Inflation is down to its lowest level in years, interest rates are also down and manufacturing output is starting to show recovery.

Unemployment, however, remains at more than three million, twice as high as when Mrs. Thatcher came to power in 1979, and there is no sign that it will start to go down any time soon.

Labor and the alliance both favor variations of a reflationary policy, increased public spending to create jobs and an incomes policy. On foreign and security issues, the Labor Party is committed to a "nonnuclear" defense policy, the unilateral abolition of Britain's nuclear deterrent and the closing of all U.S. bases.

The alliance's "prime minister-designate" is the leader of the Social Democrats, Roy Jenkins, a former Labor minister. Because of Mr. Jenkins' generally lackluster performance since winning his party's leadership, the Liberal's Mr. Steel was chosen to guide the alliance's political handling of the election.

■ Labor Leadership Issue

The Labor Party would be running neck and neck with the Conservatives if the deputy leader, Denis Healey, was in charge instead of Mr. Foot, according to a poll published Monday, Reuters reported from London.

The poll, commissioned by British Broadcasting Corp. television, showed Labor trailing the Conservatives by 11 percentage points. But the parties would be level at 42 percent if Mr. Healey, a former finance minister who is on Labor's right wing, took over from Mr. Foot, the poll indicated.

## WORLD BRIEFS

### Kenya President Sees Coup Plot

NAIROBI (Reuters) — President Daniel Arap Moi of Kenya has accused foreign countries of plotting to overthrow him, according to the official Kenyan News Agency.

Mr. Moi said at a rally Sunday in Kisumu, western Kenya, that the foreign states, which he did not identify, were training someone to take over as president, the agency said. It was the first mention by Mr. Moi of a plot against him since the army crushed a rising by junior Kenyan army on Aug. 1 last year.

Recently three cabinet ministers have accused politicians, without naming them, of plotting to topple the government. On May 1, Mr. Moi ordered his ministers to "stop washing their dirty linen in public" in an apparent reference to the infighting that the allegations of conspiracy are widely believed to reflect.

### Bonn and Tripoli Swap Prisoners

BONN (UPI) — A spokesman for the West German government said Monday that for humanitarian reasons Bonn has exchanged a Libyan jailed for murder in West Germany for four West Germans imprisoned in Libya.

Jürgen Suedhoff, the spokesman, said West Germany has deported Bashir Elmhida, who was sentenced to life in prison in 1979 for killing the former financial attaché to the Libyan Embassy in Bonn. The four West Germans returned Sunday by Libya were identified as Manfred Koepsel, Bashir Dultz, Armin Gierke and Henning Mumm.

"It was decided," Mr. Suedhoff said, "that the health of the West Germans imprisoned was more important than completion of sentence by the Libyan." One of the West Germans, he added, was in poor physical condition.

### Deaths Put at 35 in Istanbul Fire

ISTANBUL (AP) — Officials said Monday that the fire that raged through a central hotel on Saturday killed two Turks and 33 foreign tourists, mostly Greeks and Austrians. "This is the final toll. Two dead Turks were taken away by relatives and we have 33 bodies left in the morgue," said a spokesman for the coroner's office.

Initially, the death toll was reported at 42 by city and fire squad officials and was later reduced to 37. Most of the 60 people initially reported as wounded had minor injuries and were released from hospitals, officials said. The officials said only 27 remained hospitalized Monday.

An official in charge of the cleanup said that only six of the 35 dead had been identified for certain, two of them Turks. "The victims were mostly foreign and all their papers and belongings burned. We can identify them only after their relatives arrive here and this will take several days," he said.

### Nicaragua Says Invaders Defeated

MANAGUA (Reuters) — An invasion by Honduran-based rebels has been defeated after heavy fighting, Nicaraguan military sources said Monday.

They said the rightist rebels were pushed back across the border Sunday and that only small groups that split from the main insurgent force remained in the mountains of Nueva Segovia province. Nicaragua has said the rebels regrouped in Honduras after an invasion attempt failed last week and began a new thrust Friday.

In the United Nations Security Council on Monday, Foreign Minister Miguel d'Escoto Brockmann of Nicaragua accused the United States of waging an undeclared war against his country and called on the council to adopt measures to stop the aggression.

### Court Summons Australian Editor

SYDNEY (Reuters) — An Australian newspaper editor has been summoned to appear in High Court on Tuesday because of stories based on leaked intelligence documents, legal sources said Monday.

The National Times alleged last week that the Security Intelligence Organization had spied on leading Australians and installed equipment able to monitor local telephone calls in Papua, New Guinea, and in Indonesia. Brian Toohy, the editor of the National Times said his story was based on tens of thousands of pages of classified material.

On Friday, the government won a temporary injunction ordering the return of the documents, which were also said to reveal Australian links with the American CIA. The sources said Mr. Toohy could be imprisoned for contempt if he failed to appear in court in Canberra, return the documents or reveal his source. The paper's owner, John Fairfax Ltd., said it would fight the action.

### Swedish Navy Pressing Sub Hunt

SUNDSVALL, Sweden (Reuters) — The Swedish Navy, convinced that at least two foreign submarines are intruding in its waters off this northern port, is prepared for a long hunt to catch them, a military spokesman said Monday.

"We are not getting tired and time is on our side," he said as the hunt with ships and helicopters went into its 12th day. "We have all the resources we need," he said, when asked if Swedish submarines were being used.

He declined to comment on press reports that a "mother" submarine trying to make contact with a trapped smaller submarine was the target of heavy depth charging by the navy on Saturday. The attack apparently produced no result. He also refused to comment on reports that a periscope seen by 20 witnesses in the wake of a Finnish ferry Saturday night belonged to a Swedish and not a foreign submarine.

### Sorsa Sets Four-Year Program

HELSINKI (AP) — Prime Minister Kalevi Sorsa said Monday that the program of his fourth government has been geared to carry the four-party coalition through the full four-year parliamentary election period. Meeting the press for the first time since taking office Friday, Mr. Sorsa said that "our aim is at full four years with the program where the emphasis is on economic recovery." He said that the first order of business was to slow down inflation now running at around 9 percent.

"Our next year's aim is 6 percent. If we get there it will improve our competitiveness, which is the key to ease unemployment and increase exports," he said. The government program came after two weeks of intensive negotiations. The four parties in the coalition — the Social Democrats, Center Party, Swedish People's Party and Rural Party — said that a crucial test lies ahead this summer when negotiations on next year's budget are scheduled to start.

### Papal Assailant to Appeal Sentence

LISBON (Reuters) — The Spanish priest who jumped at Pope John Paul II with a bayonet is to appeal the prison sentence of 6½ years imposed on him last week in Portugal, judicial sources said Monday.

Juan Fernandez Krohn, 33, who has been associated with ultra-conservative factions, was found guilty of trying to kill the pope during a ceremony at the shrine of Fatima last May.

During two appearances in court, Father Fernandez Krohn said he meant to kill the pope to strike at the heart of the Catholic Church which he said had been betrayed by reforms. He protested the jurisdiction of the court that condemned him and was given a further six months for insulting the court. The appeal will be heard at Coimbra in central Portugal, the sources said.

### U.S. Expels an Afghan Diplomat

WASHINGTON (AP) — The State Department ordered the expulsion Monday of an Afghan diplomat in retaliation for Afghanistan's decision to expel a U.S. envoy.

The department's deputy spokesman, Alan D. Romberg, said the Afghan Embassy had been informed that the presence in the United States of Masjidi Hewardmal, a second secretary, "is no longer acceptable to the U.S. government."

The decision followed Afghanistan's expulsion of Peter Graham, a U.S. diplomat who, it claimed, had been "perverting Afghan youth." In a newscast monitored in New Delhi on Sunday, Radio Kabul said Mr. Graham violated diplomatic regulations and Islamic and Afghan traditions by engaging in what it called immoral activity.

### For the Record

LONDON (AP) — Viscount Dunsford, 46, was named Monday to be the new governor of Bermuda, succeeding Sir Richard Posnett, who resigned in March following allegations of financial irregularities.

TOKYO (Reuters) — A visiting East German opera singer, Nannette Pechke, 36, has defected and left Monday on a flight for West Germany, the Japanese Foreign Ministry said. She was on tour with the Berlin Opera.

## U.S. Report Says Soviet Curbs Backfired

By Stuart Auerbach

Washington Post Service

WASHINGTON — American efforts to punish the Soviet Union by imposing trade sanctions may hurt the U.S. economy more than that of the Soviet Union, according to a report released Monday by the congressional Office of Technology Assessment.

The report concluded that embargoes aimed at punishing the Soviet Union for its actions in Afghanistan and Poland had had no major impact on the Soviet economy.

The United States embargoed grain exports to the Soviet Union in 1979 after its intervention in Afghanistan. In 1981, after the Soviet Union pressured Poland to curb the Solidarity trade union movement, the United States barred the export of oil and gas technology.

Rather than hurting the Soviet economy, the report said, the embargoes caused rifts in the Western alliance, gave the United States an image as an unreliable supplier, caused economic damage to companies trying to trade with the Soviet Union and added to U.S. farm surpluses as Moscow switched to other grain suppliers.

"The aftermath of U.S. attempts

to embargo grain and energy equipment exports to the U.S.S.R. dramatically demonstrate the limitations on U.S. power to successfully conduct a trade-leverage policy," the authors of the study wrote.

The report comes as Congress is debating renewal of the Export Administration Act — under which the sanctions were applied — and the administration's proposals to strengthen its control over the flow of technology to the Soviet Union.

Beyond the effects of past embargo attempts, the study found that the Western allies place a far greater value on trade with the Soviet Union than does the United States. Therefore, the study said, efforts to force embargoes on West Europeans are doomed to fail, especially if it appears that the United States is trying to impose its foreign policy views.

"Unless we get the cooperation of our major trading allies, our own embargoes are likely to be ineffective," said the study director, Peter Sharfman.

The report also said that U.S. businesses may run into increased trouble in selling to West Europeans because of concern about the possible interruption of future transactions. The study said that

this "chilling effect... may lead to long-term adverse impacts on East-West trade, far more important to the U.S. economy than trade with the Soviet Union."

The report also questioned the impact of increased controls in preventing the Soviet Union from acquiring Western technology to boost its military might, although the study said that export curbs can make it more difficult and more expensive for Moscow to do so.

The report cited intelligence testimony that the Soviet Union acquires 70 percent of the Western technology it needs for military purposes through illegal means. "It is most improbable that even drastic changes in U.S. export control policy could alter the fact that the U.S.S.R. benefits militarily from Western technology," the study said.

The issue has prompted a major debate in the government between hard-liners, who believe that keeping technology from the Soviet Union is of paramount importance, and those who argue that U.S. security is better served by emphasizing exports to boost economic growth.

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## U.S. Bishops' Stand Against Nuclear Arms Worries Sub Workers

**New York Times Service**  
**PRESTON, Conn.** — The people of St. Catherine's Roman Catholic Church here had something to discuss after Mass on Sunday. Many build submarines that carry nuclear weapons. And Sunday they talked of those weapons and of the U.S. Roman Catholic bishops' stand against them.

Until recent months, many people here say, the moral questions about working on nuclear weapons systems had not seemed pressing. But for many, and especially those Roman Catholics who build Trident submarines at the Electric Boat shipyard in nearby Groton, that all changed last week, with the overwhelming passage of the bishops' pastoral letter denouncing nuclear war.

To bring the matter even closer to home, Daniel P. Reilly, the bishop of the diocese of Norwich, in which the town of Preston falls, was one of the drafters of the letter. The Reverend Joseph Finnerty, the pastor of St. Catherine's, said: "It took real courage for the bishops to even attempt this letter."

A part of the letter, addressed directly to defense workers, suggested that anyone who studies the letter's teachings might be led to quit his or her job.

"We are the first generation since Genesis with the power to virtually destroy God's creation," the letter said. "We cannot remain silent in the face of such danger."

After the Mass at St. Catherine's, where about 75 percent of the congregation are Electric Boat or navy workers and their families, about a dozen parishioners talked in the church meeting hall.

Boyd W. Cohenour, who retired from the navy after many tours aboard Polaris submarines, said the issues raised in the letter reminded him of an old fear.

"Every time there was an emergency drill aboard ship, I was scared to death," he said. "I was thinking: Is this the real thing? If we have to fire one of those things, what will we go back home to? Total annihilation?"

But some were skeptical of the letter's effectiveness. David A. Swerowski, an engineer at Electric Boat, said: "Unfortunately, our main enemy is an atheist country."

"I don't think they care what God's words are. They've got to listen to something that's meaningful to them — our deterrent force."

Father Finnerty said that once or twice, Electric Boat workers

have asked for counseling about the morality of their jobs, but no one has quit, he said.

The Norwich diocese is preparing for that possibility, however. Bishop Reilly said the diocese will provide financial assistance and counseling to anyone who leaves a defense job as a matter of conscience.

But the letter, he added, did not say anything more than that anyone in defense work should examine their conscience and make their own decision.

"Will it be a mortal sin to work on the Trident?" Father Reilly said. "We don't say that. Sin comes in when you act against your conscience. This letter, we hope, will be used by people to help form their consciences."

At Our Lady of Lourdes Roman Catholic Church in Gales Ferry, Conn., a few miles south of Preston, another group of parishioners, including defense workers, also discussed the pastoral letter.

Some said the letter marked a somewhat frightening stage in their life as Catholics.

Janet C. Didier, the wife of a former submarine officer, said: "I remember rolling in on World War II."

"The war was good, and just. But some years afterward, everything started to change. I first felt it when my husband took me on a submarine and I felt like I was walking into a bullet. I began to wonder: Is war the Christian way to solve our problems?"

The Reverend Robert Washburn, of Our Lady of Lourdes, belongs to the Justice and Peace Commission of the Norwich diocese, which will hold workshops for clergy and laity on the letter's meaning.

Father Washburn said: "Whenever I bring up the topic on a Sunday morning, I get a very few people who are upset. Some people agree wholeheartedly. Many have said to me, 'Say, I wish you'd said that a lot earlier.'"

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## U.S. Agency Gets Rules on Suicide Threats Social Security Urged to Be Sensitive in Cutting Off Benefits

By Robert Pear  
**New York Times Service**

**WASHINGTON** — The Reagan administration has devised new procedures to deal with people who threaten to kill themselves after being told they may lose their Social Security disability benefits.

Paul B. Simmons, deputy commissioner of Social Security, said the rules would soon be sent to Social Security offices around the country and to state agencies that operate the program of disability payments and retirement benefits under federal policies.

The detailed procedures say that federal and state employees should take special care in handling suicide threats, should refer the claimant to a counseling service or a suicide hot line and should consider suicidal tendencies in evaluating the severity of a disability.

However, the directive says suicidal behavior does not necessarily mean a person has a mental disability qualifying him for benefits.

The seven-page directive represents the first acknowledgment by the Social Security Administration of a significant problem with

suicidal behavior related to the cutoff of disability benefits. In the past, officials have minimized reports of such behavior, saying they were based on anecdotal evidence.

There is no official count of the suicides that may have occurred after benefits were ended, but government psychiatrists and disability examiners said they were aware of many threats.

The new rules say that when a person threatens suicide, "it is important that he or she be treated with the utmost sensitivity, patience, compassion and understanding in all telephone or personal contacts."

The directive says that each state's disability agency should designate one official to compile and review all information about suicides and suicide threats. The state agency is required to inform the local Social Security office before ending or denying benefits to any person where "a high degree of suicidal-homicidal potential exists."

Mr. Simmons said the policy was one of many steps being taken to make the disability program more humane. Under the pro-

gram, the government last year paid \$18 billion in benefits to 2.6 million disabled workers and 1.4 million of their dependents. The average payment to a disabled worker was \$441 a month.

In the last two years, the government has removed 340,000 beneficiaries from the rolls after they were found not to be disabled at the initial stage of review.

Critics have assailed the review process, saying that many people with obvious mental or physical defects lost their benefits. Democrats have cited the terminations as evidence of the "unfairness" of President Ronald Reagan's policies.

A recent report by the General Accounting Office, an investigative arm of Congress, said the Social Security Administration, because of an "overly restrictive interpretation" of the eligibility criteria, had improperly cut off benefits for many people with "severe mental impairments."

Mr. Simmons rejected many findings in the report but accepted some of the recommendations, saying, "Improvements are needed."

## CIA Denies Fabricating Anti-Hanoi Evidence

By Michael Getler  
**Washington Post Service**

**WASHINGTON** — The Central Intelligence Agency is denying allegations made a year ago by a former CIA officer that the agency fabricated evidence in the early 1960s to help prove that the war in South Vietnam was being fueled by North Vietnam, and to help set the stage for heavy U.S. involvement.

The allegations were made by Philip Liechty, a former case officer in the agency's top-secret Directorate for Operations who spent 15 years with the CIA. The accusations were reported in The Washington Post on March 20, 1982.

A CIA spokesman was asked then for comment on Mr. Liechty's claims and said only that "it is not our policy to comment on such allegations."

Mr. Liechty said that early in his CIA career he inadvertently came upon agency documents of proposed operating plans to fabricate evidence of outside support for the

Viet Cong guerrillas of South Vietnam.

One such plan, he said, involved an elaborate operation to print anti-American Vietnamese postage stamps and have them placed on letters that would find their way into the European and Western press.

Another plan involved loading captured communist-bloc arms collected by the CIA onto a coastal boat in Vietnam and then staging a fire in which the arms-carrying boat would be sunk and displayed to the press.

At the time of the interview last year, Mr. Liechty said that he was obviously unable to produce the documents he said had been in the files about 17 years earlier or several sheets of postage stamps that he said he had seen in the file and held in his hands.

A CIA spokesman, Dale Peterson, now says that the agency has made a thorough search of its documents and interviewed other officials and that there "is no evidence

that CIA ever fabricated that stamp. I say this with 99 percent confidence because there is no trace of this being done."

The CIA, he added, also "did not fabricate that stamp for domestic U.S. consumption."

A copy of the Vietnamese stamp that Mr. Liechty described appeared on the cover of Life magazine on Feb. 26, 1965, two days before the Johnson administration published its white paper on the war called "Aggression from the North."

Mr. Peterson said the CIA had nothing to do with that magazine cover.

Asked if the CIA used the postage stamps and distributed mail with them, even if the agency did not print the stamps, Mr. Peterson said:

"We are not saying we never used that. ... When talking about use of the stamps and other things, right or wrong, we are not commenting. That is just a matter of policy. We can't comment if we got them in Vietnam and used them for something."

He also said there was "no evidence" to support Mr. Liechty's claim about the arms-laden boat. "We are talking about 1965," he said, "and that was a long time ago. But we interviewed people

who should have known and came up with zero on that."

Asked about the CIA denials, Mr. Liechty said he sticks to his original claims.

"It is possible," he said, "that they could have used either forgeries or the original Vietnamese stamps. You just really couldn't prove which stamps actually went on the envelopes."

"But they did have the stamps; they were there, and they were using them in the way I said. There is no question whatsoever that they did it. They had huge quantities in sealed, cellophane envelopes. My recollection was that they were printing them and that the documents that I read discussed the options of printing them."

Interest in Mr. Liechty's initial interview was revived recently with publication of a book entitled "Deadly Deceits." It was written by another former CIA agent, Ralph W. McGeehee, who repeats Mr. Liechty's claims.

**French By-Election Captured by Socialist**  
**Reuters**

**PARIS** — Louis Le Pen, who quit the French government in March, has won a parliamentary by-election in Brittany by taking 54.45 percent of the vote in the first round.

Political commentators said his victory, in the department of Finistère, was a welcome boost to the Socialist Party following setbacks in the recent municipal elections.

## East Bloc Shuns Disarmament Sessions

**Reuters**

**BERLIN** — A six-day European nuclear disarmament conference opened Monday at the International Congress Center in West Berlin, complete with acrobats, a peace dove and a boycott by East European peace groups.

Organizers said the 3,000 expected delegates wanted to coordinate their peace campaigns and warn

the world of the dangers of the nuclear arms race.

But official East European peace movements failed to reply to their invitations and no official campaigns were allowed by their governments to attend, organizers said.

Among those expected to take part are Petra Kelly, a Greens par-

ty member of the West German parliament; Daniel I. Ellsberg, an American anti-nuclear activist; and Tony Benn, an opposition member of the British House of Commons.

The conference is basing its work on the 1980 appeal of the British-based Bertrand Russell Peace Foundation for a Europe free of nuclear weapons "from Poland to Portugal."

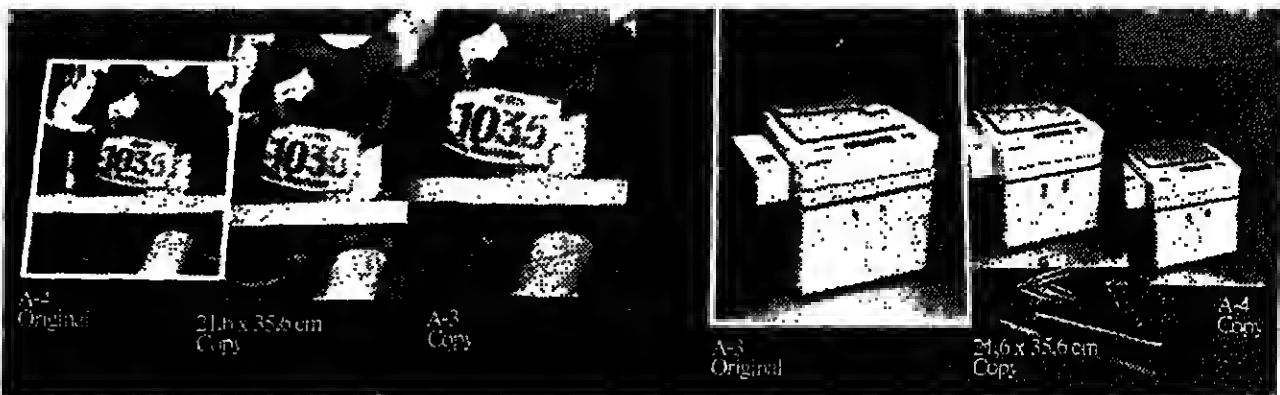
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# Herald Tribune

Published With The New York Times and The Washington Post

## All Stand Together

Will the leaders of the industrial democracies meet at the end of the month as the chiefs of seven autonomous powers or will they begin to address common problems by truly coordinating their power? The first pass was not encouraging.

At a recent summit session in Washington, the finance ministers of the seven nations agreed to undertake "coordinated intervention" in foreign exchange markets whenever that seemed helpful. Within an hour of their communiqué, Treasury Secretary Donald Regan shot it down. He glibly dismissed coordination as nothing more than a transatlantic phone call or two, his administration's policy will still be no intervention except in rare cases of market "disorder."

The mechanics of exchange intervention are only slightly less complicated than the ideological passions it arouses. But it is worth understanding. The aim is to stabilize currency values by having governments buy or sell their own and other currencies. Buying boosts demand and tends to raise the value; selling does the opposite. This technique cannot ultimately save a weak currency or break a strong one, but it can have short-term value. It is obviously more effective when practiced in concert with other governments, rather than unilaterally. So concluded the finance ministers, including Mr. Regan before he reneged.

The reason for coordinated intervention, however, is anything but technical. It is to relieve the damage done when uncoordinated but dependent economies fluctuate in unwholesome ways. The dollar is strong right now because America's interest rates are obstinately high and because recession and other uncertainties make the United States the safe-

est haven. But the resulting flow of money to the United States creates serious problems. It drains capital from others, provoking some — particularly France — to feel neglected and enraged. The relatively high value of the dollar can also hurt Americans: it raises the price of American exports and tempts Americans into buying too many cheaper imports. That, in turn, raises pressure for job protection against foreign competition.

The interdependencies of the major economies are obvious. The United States should not act alone, or as if it were alone; nor should France.

The annual summit meetings have no value if they cannot recognize that the present economic strains are global. Recovery from worldwide recession is still uncertain, the future of protectionism is strong everywhere, and Third World nations — unrepresented at the Williamsburg conference — are being crushed by debt.

Writing in the current issue of Foreign Affairs, Albert Bressand, director of the French Institute of International Relations, laments: "Conflicting perceptions, diverging priorities and lack of any sense of direction suggest that the concept of world interdependence has been lost in a policy and intellectual vacuum. We are still striving to overcome an international economic crisis through national economic policies. What is not being done at the summit is not being done elsewhere either. The world economy offers great opportunities for common prosperity but, left to itself, it can also be the breeding ground for uncontrollable contradictions and nationalisms."

It is no time for acting unilaterally.

—THE NEW YORK TIMES.

## American Technology

The disparity is troubling: American science remains immensely productive, but American industry is frequently slow to apply it. Foreign producers move faster and invade American markets with products based on technology developed in the United States.

These transfers of knowledge take a great variety of forms, but the successful foreign competitors are commonly Japanese. Has something gone wrong in the United States?

The explanations are to be found in American industrial practices, not Japanese. The current anxious attention to foreign competition is the beginning of the remedy. In the quarter-century of great success following World War II, the American mass production industries learned habits that more recently have served them badly. They learned to get very high productivity through long production runs, with minimal model changes. They were working with standard products in which improvements were typically incremental. Development work became increasingly separated from manufacturing. A steady flow of profit-seeking engineering and every kind of education. Keep it in mind that the United States' basic economic resource is its highly educated labor force. Next, keep American markets open to foreign competition. It is only under that pressure that American producers will do the job of which they are capable. Finally, keep the flow of scientific and technical knowledge free and open. Any attempt to lock it up and hide it, except in the narrow area of military security, will damage Americans more than anyone else because Americans are better equipped to make full use of such knowledge.

—THE WASHINGTON POST.

## Other Opinion

### Mideast Strategies

Secretary George Shultz is vindicated as a tactician but his reputation as a strategist in the Middle East politics is still to be won or lost. In the perspective of history, the achievement of negotiating an agreement between Israel and Lebanon will count for little if that agreement is never implemented.

Israel has made it quite clear that she will implement the agreement only if Syria and the Palestine Liberation Organization agree to withdraw their forces simultaneously with hers. But neither Syria nor the PLO is party to the agreement and Syria has already condemned it.

However desirable it may be from an Arab and perhaps even from an international point of view that Israel should not be rewarded for her invasion of Lebanon last year, to suppose that she would withdraw unconditionally was never realistic. The agreement has now accepted comes much closer to that than most people would have imagined possible; and many Israelis, including some ministers who voted for it, are already saying that it falls far short of justifying the losses that Israel has incurred.

From Lebanon's point of view, it is the best

agreement that could reasonably have been hoped for.

But Mr. Shultz's reputation as a strategist will depend not only on the fate of Lebanon, but on his success in moving from an agreement on Lebanon toward an overall settlement of the Arab-Israeli conflict.

—The Times (London).

### The Lord Mayors' Visit

The recent visit to Boston of the Lord Mayors of Dublin and Belfast highlights a quiet, persistent effort to find a cooperative solution to the difficulties of Northern Ireland.

Tom Paton of Belfast urged his audiences to visit Northern Ireland as tourists and to invest in it as businessmen. He stressed that the violence, deplorable though it is, is concentrated almost totally on members of the British and Irish security forces. Significantly, Paton's message was seconded by Dan Browne of Dublin.

Americans of Irish ancestry need to support not the gunmen and their agents but those who extend their hands to heal and to help. The Lord Mayors have shown the way.

—The Boston Globe.

## FROM OUR MAY 10 PAGES, 75 AND 50 YEARS AGO

### 1908: The Fighting in Korea

TOKYO — Details of the new military policy in Korea are announced. Reinforcements are now being forwarded to make the Japanese strength to Korea two full divisions. The exact number of armed Koreans is not ascertainable, but it is estimated to be several thousands. The insurrection is declared to have lost its political character, and its instigators will henceforth be regarded as bandits. Under the new order the dissipation of the roving bands calling themselves the "righteous army" becomes strictly a military problem. The army will not be hampered by the civil administration. The Japanese troops will remain permanently in the field if needed.

### 1933: A 'Turnaround' in U.S.?

NEW YORK — President Franklin Roosevelt's actions, outlined in his radio speech Sunday night, in which he gave an account of his direction of the government and his appeal two nights previously not to permit wages to lag behind the cost of living, have had an electrifying effect, and wage increases for 50,000 employees in 25 states have been granted, according to a survey. Besides increased wages, reports show an increase in the production of coal, lumber, steel, motor cars and electric power. Henry Ford proclaims his faith in a "new deal" in an open letter in which he says: "We have made a complete turnaround, and at last America's face is toward the future."

# Congress's Hand in Foreign Policy: Is It Too Heavy?

By James Ceaser

CHARLOTTESVILLE, Virginia — A president today must speak loudly because he carries a small stick. President Ronald Reagan's dramatic appearance before Congress to appeal for support for his Central American policy had all the trappings of power: ceremony, applause and media attention. But all this pomp could not obscure the deeper reality that the president stood before Congress, hat in hand, begging for the right to be able to direct his own foreign policy.

There are two possible explanations for the president's tenuous position in foreign affairs. Either he has squandered, through blunders and incompetence, a power that was his, or he never had that power.

Critics of the president are fond of charging that the administration has over articulated a consistent or reasonable policy. But Mr. Reagan plainly faces restrictions that are not all of his own making.

In recent times, a lack of flexibility for the executive in foreign affairs has become the norm, not the exception. It is rooted in a growing number of legal restrictions, and also in the belief held by key members of Congress that the province of the conduct of foreign affairs is as much theirs as it is the president's.

Beginning with the Vietnam-Watergate era, the United States has been moving closer to a system of co-determination of the substance of

foreign policy. The president retains the power to initiate, but his initiatives are so hemmed in by congressional checks that his control of the process is uncertain.

Proof of this can be seen in many of the presidential "victories" of recent times — such as the sale of AWACS planes to Saudi Arabia, or Mr. Reagan's efforts to continue military aid to El Salvador. In these instances and others in recent administrations, presidential successes consisted of little more than the staving off of embarrassing and debilitating setbacks.

In areas such as arms sales and military assistance, the laws have been written so that the burden of proof for carrying out a policy has been shifted. Whereas in the past Congress had to assume the initiative in order to block a presidential action, now many presidential policies are subject to routine and automatic review by Congress.

Along with these legal restrictions, a new attitude about the making of foreign policy has emerged in Congress. Members of Congress are no longer reluctant to assert an active role in formulating policies by attaching detailed provisions to authorization or appropriation legislation — such as the Boland Amendment, which denies the use of U.S. funds to overthrow the government of Nicaragua.

The new role of Congress in foreign affairs emerged initially in reaction to the Vietnam War, and reflected a conscious desire to correct what was considered to be a dangerous concentration of power in the executive. Since then, however, Congress has moved further to limit executive discretion. The subsequent erosion of the executive's margin of maneuver. We should not think that the United States, led by a weak executive, can continue to play an effective leading role in world affairs.

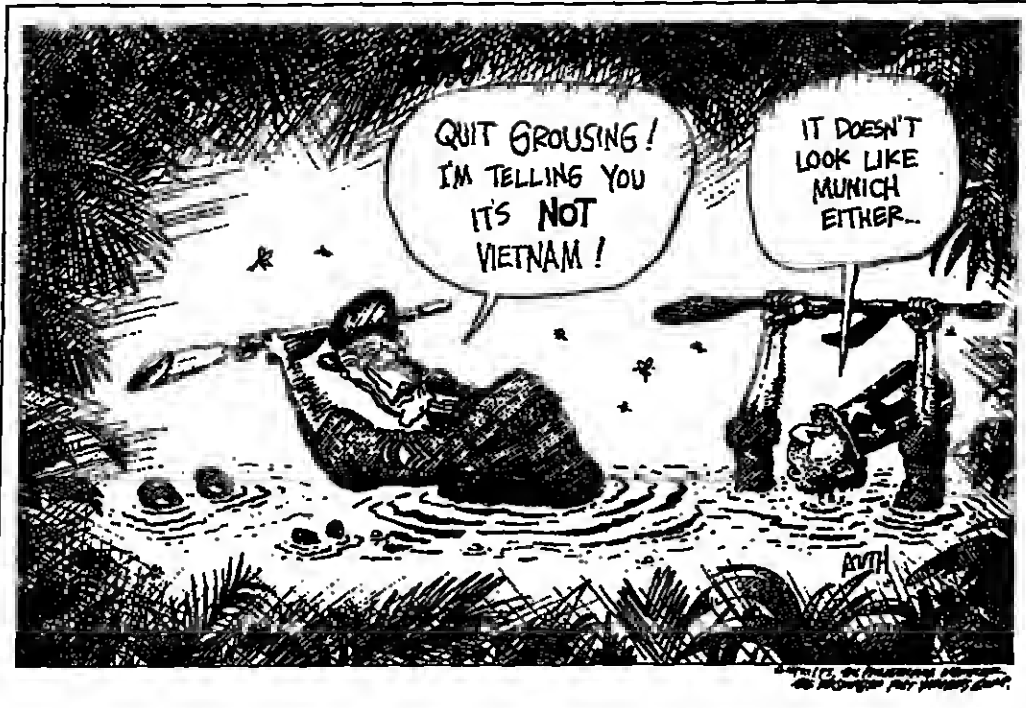
With the changing institutional balance, some perverse political incentives have developed. In foreign affairs, congressmen have little to gain from supporting the president, but much to gain by opposing him. Successes in foreign affairs redound to the benefit of the president, whereas setbacks redound to the benefit of members of Congress who claim that they had the foresight to oppose him.

The natural tendency to view the inevitable frustrations in foreign affairs as the consequence of the actions of foreign nations has been changed. Instead, there is an increasing tendency for these frustrations to be played out between the president and Congress. Every presidential initiative is now put on trial before Congress, and any momentary setback is seen as a failure of the president's policy. He is placed in the awkward position of being an emissary before Congress for the nations he is seeking to assist. The dangers of oversteering foreign commitments are now implicit in U.S. foreign policy; the president lacks the discretion to follow a policy that is based on a prudent assessment of calculated risks.

Solutions are difficult to come by. Modern presidents, fearful of angering the very persons whom they must flatter to win support for their policies, are reluctant to challenge the institutional prerogatives of Congress. And radical solutions that would eliminate the separation of powers are not realistic.

Congress does have a major role to play in foreign affairs. The problem is to ask whether Congress has not unconsciously allowed itself to assume responsibilities that go beyond its authority (or capacity) to act effectively.

The writer is an associate professor of government at the University of Virginia. He contributed this article to the Los Angeles Times.



## Japanese Weary of Junior-Partner Treatment

By Hobart Rowen

WASHINGTON — "At international meetings," a Japanese official recently told me, "we feel that the Europeans don't really want to talk to us. Oh sure, they make the pro forma gestures — they have to. But the Europeans really only want to talk to the Americans."

This sums up a bitter feeling among many Japanese, who feel that despite their country's tremendous postwar economic surge and new willingness to accept a share of international burdens, Europeans treat them as second-class citizens.

They have not forgotten that at the 1979 economic summit in Tokyo, they were excluded from two important meetings. One was a breakfast for the so-called "Gaulle Group" — leaders of the United States, France, Britain and West Germany who had met in the Caribbean earlier that year. The other was a secret meeting of the French, West German and American energy ministers to agree on oil-import ceilings.

"We felt isolated," recalled a Japanese minister who was a participant at the Tokyo summit. "We didn't think it was right to hold such meetings without Japanese participation in the Japanese capital."

There is more involved here than diplomatic niceties. There are major trade problems between Europe and Japan, accentuated by serious recession in Europe. The European response to Japanese competition has been to close doors where they can.

To combat penetration of their markets by Japanese consumer electronic items, European countries have been seeking to form strong intra-European conglomerates, only to run into nationalist objections from major countries in the European Community.

A projected alliance between the French state-owned Thomson-Brandt Co. and the Japanese Victor Co. to make video-tape recorders in France was assailed by Philips, the huge Dutch company. Philips complained that the accord was a blow to the European Community, even though European content will reach 75 percent and provide desperately needed jobs in France. And so it goes.

An unusually frank assessment of how Japan feels about its relationship with its principal partners was given recently by Nobuhiko Ushiba, a career diplomat who has served as

ambassador to both the United States and Canada.

He cited history: After World War II, Japan was not accepted as part of the developed world, but treated as a defeated, developing country. It was not until the late 1950s and early 1960s that the United States, over some internal objections in Japan, drew the country into the major international organizations.

But even after Japan was included in the General Agreement on Tariffs and Trade, European nations refused for a long time to grant most-favored-nation treatment to Japan. Nonetheless, Japan grew strong economically. The private Trilateral Commission in 1973, and the series of seven-nation summits starting in 1975, certified Japan as a developed nation, fully engaged in the international process.

Mr. Ushiba, however, points out that it is a long way from equality on paper to actual assimilation in the postwar international economic system. He said, bluntly, that he was not sure Japan ever would be accepted as a full partner.

"It is from Europe that we now

find the most serious attacks," Mr. Ushiba said.

"The Common Market is charging that Japan's trading system is so strange, so unique, that the international GATT rules cannot be applied. Japan, they say, disproportionately benefits from tariff reductions and most-favored-nation treatment."

Without the perception of a common security relationship, such as at least in theory binds Europe and the United States, Mr. Ushiba said, "Japan appears to Europe to be little more than an economic threat."

How can these problems be solved? It will not be easy, so long as the world economy stagnates and unemployment grows. Japan and the United States have left Europe far behind in the development and marketing of technology. Like Europe and America, Japan succumbs to internal protectionist pressures from farm lobbies and certain industries.

But Prime Minister Yasuhiro Nakasone, a politician of some skill, plans to try to break out of the junior-partner relationship at the Williamsburg summit. One can only wish him luck.

The Washington Post.

## The Bishops Hang Tough; Now the Hard Part

By Colman McCarthy

WASHINGTON — In its holy war of polemics against the Roman Catholic bishops, the right suffered heavy losses. In Chicago, the bishops voted 238-9 for a final pastoral letter that echoed the memorable "No more war" cry of Pope Paul VI in 1965. "The whole world," the bishops said, "must summon the moral courage and technical means to say 'no' to an arms race which robs the poor and the vulnerable."

For a time, it appeared as if the bishops had lost the moral nerve to challenge the Reagan administration's policies of preparedness for a nuclear war. In November, the bishops issued a strong second draft of their letter. By April and a third draft, they were backsliding. They had gone from advocating a "halt" to nuclear weapons to seeking a "cease," which was meaningless. They quoted pieties of Defense Secretary Caspar Weinberger and William Clark, the national security adviser.

The weak third draft drew bonanzas from the right-wing choir. The National Review, which had been roundly dismissing the "born again bishops" as appeasers, hailed the third draft on the eve of the Chicago meeting as a "substantial improvement" over the second. Michael Novak of the American Enterprise Institute, who had been scolding "extremist" bishops for their "hubris" and who said the second draft "moves the world very close to war," found the third draft "more attuned to conflicting realities than earlier drafts."

In Chicago, the bishops showed they had nerve after all. They rediscovered the word "halt." They urged Mr. Weinberger and Mr. Clark to footnotes. They told the Reagan administration to look for someone else to bless the oust. As peace-makers, the bishops stayed the course.

The right can be expected now to recycle its bitter attacks. The hissing is likely to be sharper, especially since it appeared as though the bishops would heed the right and behave as proper chaplains to the Reagan court.

An example of the bitterness was

on display in an editorial in late April in the Richmond News Leader. Bishop Walter Sullivan of Richmond, an articulate peace-movement leader whose diocese is heavily populated with military personnel, gave the newspaper beatdown for explaining to his flock that it had the choice of following the Christian nonviolent way to peace or the government's way, but not both.

"Sullivan and his type," muttered the editorial, "are stripping away the moral basis for defense of the United States." Any close reading of what Bishop Sullivan and his brother bishops actually are teaching leads to

the opposite: There is no moral base for nuclear war.

For the bishops, the hard part of their peace-making now begins: getting their pastoral letter into the hands of their flock.

Misunderstandings have already occurred in places like Seattle, where Archbishop Raymond Hunthausen is falsely depicted by some as a traitor.

The bishops' task is that they cannot force their letter on the faithful as if it were official church teaching nor can they walk away quietly and let the government conclude that the pastoral letter was all talk.

How, then, to build a genuine

peace church? One way is to start in the earliest grades. The lessons of the pastoral letter should be as crucial a part of the curriculum as reading and math. In colleges, degree programs in peace studies can be offered.

To their credit, the bishops have helped deradicalize the issue. They are an establishment group. They understand political compromise. They realize that peace-making should not be radical. It should be normal. There is no choice. The origins of their religion are in non-violence and peaceful resistance. The pastoral letter is the beginning of a return to the original creed.

The Washington Post.

## LETTERS TO THE EDITOR

### Haze Over Tokyo

Regarding "Japan Winning War on Pollution" (IBT, March 24):

I'm sure that I was not the only Japanese resident to raise an eyebrow over Tracy Dahlby's account of government efforts to solve pollution problems here. While the Japanese government may feel the problem is well in hand, Kawasaki, just south of Tokyo, last fall recorded its 600th air pollution death since 1970. Osaka and Amagasaki have had even more deaths officially recognized as due to air pollution (meaning that pollution was listed on the death certificate as the cause of death).

The government criteria for determining air-pollution casualties are strict, and many people feel that for every officially recognized air-pollution death there are 20 unofficial ones. The contention that air pollution has lessened in Tokyo is only true as far as physical, sunlight-blocking particles are concerned. Even so, Mr. Fuji is visible as little as one day a month from Tokyo.

Many Japanese residents predict that, given Japan's track record, the country will be the site of some catastrophic environmental disaster, a

calamity caused by a nuclear accident or through contamination of the food cycle, like the organic mercury poisoning case, in which the heavy metal entered the food chain through shellfish. To state that the problems appear to be under control is an injustice to those dying of environmental pollution.

RALPH S. YOURTEE

Tokyo.

### The Gurkha Role

Regarding "Nobel Prize Winner Unleashes His Pen Against Britain's Gurkhas" (IBT, May 3):

Long before Gabriel Garcia Marquez's imagination ran riot on the subject of the Gurkhas in the Falklands, an Argentine lady, who called herself "Liberty," and who broadcast in English to the British task force, was making thoroughly racist propaganda against them. She started as soon as they embarked; others have since gone on.

When it came to the surrender she claimed it was British technology that won the day; no mention of the Gurkhas then.

ELIZABETH YOUNG

London.

### A Third-World War?

Regarding "Viewing the Bomb Beyond" (IBT, April 27):

Jonathan Power describes Professor Kenneth Waltz's argument that Third World countries should not be hindered from receiving nuclear arms. Mr. Waltz says that those developing nuclear weaponry are stable enough not to risk starting a war.

It seems to me, though, that the countries that would lose the least in a nuclear war are Third World nations. It is clear that the Third World would be hurt economically as badly as everyone else. But one foreseeable result of a nuclear war is a political power shift away from devastated Europe and North America in favor of lesser-developed states. May I suggest that giving nuclear weapons to Third World nations could be playing with fire?

More importantly, however, people all over the world are finally trying, as they should be, to put an end to the arms race. To suggest that nuclear arms should be allowed to proliferate further seems ridiculous.

DAVID BELOTE

Fribourg, West Germany.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

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## 4 Indian States Seek Greater Powers From Central Government

By William Claiborne

**MADRAS, India** — Emboldened by the formation of a strong new regional lobby, and by Prime Minister Indira Gandhi's initially compliant response to it, the leaders of four southern Indian states are pressing for a major overhaul of their relationships with the federal government.

The movement is still in its early stages and could die out or disintegrate into partisan squabbling. But people on both sides of the issue have acknowledged the potential for fundamental changes in federal-state relations and a resurgence of federalism in the Indian union.

In the view of leaders from the southern states, the movement could reverse what they regard as an alarming concentration of power by Mrs. Gandhi's governing Congress-I Party in New Delhi and pave the way for the kind of strong state leadership encouraged under the administration of her father, Jawaharlal Nehru, India's first prime minister.

Other Indian leaders, however, have considered far-reaching central powers a necessary, given the strong and growing separatist and regionalist tendencies of many of the country's states.

The catalyst for the neo-federalist movement was a 10-hour meeting in March of the chief ministers of the states of Tamil Nadu, Andhra Pradesh, Karnataka and Pondicherry. The four ministers represent either regional or opposition parties.

An outgrowth of the meeting in Bangalore was the creation of the Southern Council of Chief Ministers, a regional lobby. Its first declared intention was "to discuss common financial problems, but it has quickly evolved into a united front for pressing the Gandhi government for more decision-making powers and a greater share of federal funds.

Initially, the leaders were relatively conciliatory, emphasizing that they would seek to avoid a confrontation and wanted to work with the central government.

"We should not run to the center every other day to solve our problems," said Chief Minister Ramakrishna Hegde of Karnataka. "The center must be kept at a respectable distance to ensure the spirit of federalism."

But Congress-I's reaction was sharp and swift, with party General Secretary C.M. Stephen calling

the ministers' meeting "highly dangerous, because it panders to the rising regionalist tendencies." The meeting, he warned, "seems to have set the stage for a north-south fight."

But after the first wave of protests subsided, Mrs. Gandhi, who has been bothered by the centrifugal forces of regionalism in the Punjab and the far northeastern Indian states, unexpectedly formed a high-level commission to examine the entire range of federal-state relations.

The surprise stemmed from Mrs. Gandhi's departure from a long-standing pattern of ignoring separatist reform movements until they vanish, particularly those that have strong regional tendencies or that have challenged central authority.

The commission is headed by a prominent retired Supreme Court justice, R.S. Sarkaria.

The southern chief ministers demand changes in provisions of the Indian constitution that define federal-state relations, particularly those declaring that "the executive power of the union shall extend to the giving of such directions to a state as may appear to the government of India to be necessary for that purpose."

The chief ministers are also preparing an offensive against a constitutional article, known as the "president's rule" provision, under which the central government may dissolve state legislatures and assume the powers of state government, much as Mrs. Gandhi did in the 19-month "emergency" of 1975-77.

"It has been used as a political weapon before," said Energy Minister S. Ramachandran of Tamil Nadu, "and it can be used again. They can pull down any one Congress government anytime they want to assure their continuation in power."

Standing alone, Mr. Ramachandran said, none of India's 22 states has the political clout to exert its will on the central government.

"We have to band together," he said, "and fight all these issues as a united front."

While there is no evidence yet that the Southern Council will exacerbate regionalism, much less stimulate separatist feelings, the formation of the strong lobby already has appeared to encourage assertiveness elsewhere.

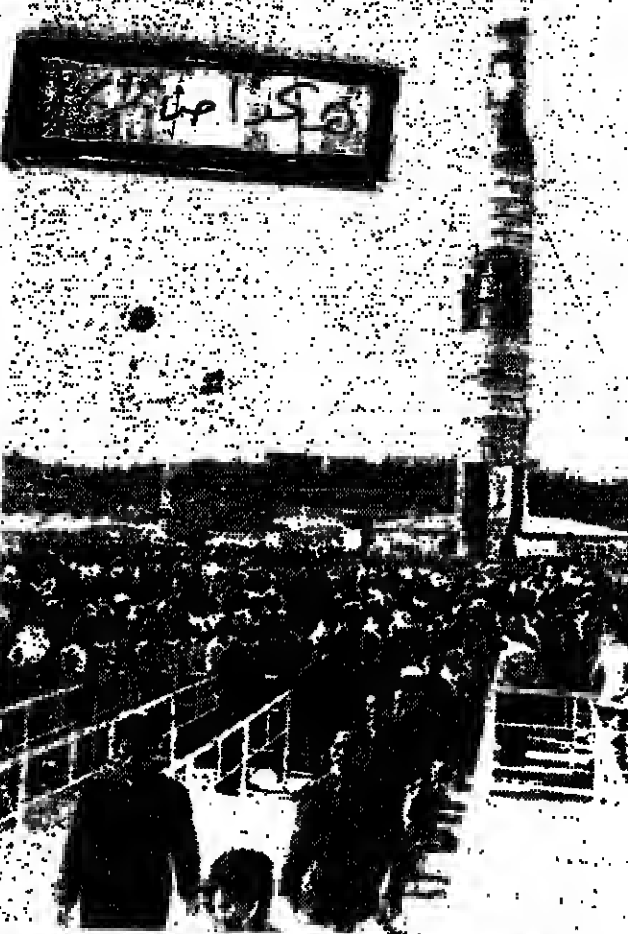
Chief Minister Farooq Abdullah of Kashmir has said he was moved by the southern states' action, adding, "The harsh fact is that the center does not appreciate or even understand the hopes and aspirations of the states."

Political leaders from West Bengal, the Punjab and other states have expressed their support as well.

The southern states are also planning to press for a bigger slice of federal disbursements, which state officials say, favor the northern states in the Hindi-speaking belt where Congress-I has an overwhelming parliamentary majority and controls state assemblies.

It is unclear how far the southern states will be able to take their reform movement. Internal disputes and language chauvinism could undermine the council's early unity. Or Mrs. Gandhi's strategy could be to bait the lobby's momentum with a draw-out inquiry.

But the movement's tacticians say that by appointing a prestigious commission to re-examine federal-state relations, Mrs. Gandhi has given regionalism a new legitimacy and the movement can only gain in strength.



Passengers from the Chinese jet visited a space exhibit in Seoul on Monday as talks on their repatriation continued.

## Status Dispute Snags Beijing-Seoul Talks

Compiled by Our Staff From Dispatches

**SEOUL** — A last-minute hitch over the status of China's negotiators has delayed the repatriation of 36 passengers and crew from a Chinese airliner that was hijacked to South Korea last week.

South Korea insisted that an agreement show that the negotiations were being held between the Republic of Korea — South Korea's official name — and the People's Republic of China.

China has resisted what could be interpreted as recognition of South Korea, the officials said. Because China supports North Korea, it has no diplomatic relations with South Korea.

Beijing has argued that because its delegation is led by Shen Tu, director-general of the Civil Aviation Administration of China, the agreement should be between the two countries' aviation authorities.

But South Korea, whose negotiators have been led by Deputy Foreign Minister Gong Ro Myung, has pointed out that Mr. Shen is also a member of the Central Committee of the Chinese Communist Party and therefore a representative of

the Beijing government, the officials said.

The chief of the Foreign Ministry's treaty bureau, Lee Chang Choon, ruled out the possibility of South Korea making concessions in the negotiations.

In talks Sunday — the first official contact between China and South Korea in three decades — the Chinese negotiators backed down on their extradition demands and agreed to let South Korea try the six hijackers under domestic laws.

The hijackers, five men and a woman, seized the plane Thursday on a domestic flight and forced it to land at a U.S. military base near Seoul.

They surrendered to the South Korean authorities, and the official Chinese delegation arrived Saturday from Beijing to negotiate the return of the plane, crew and passengers.

Because South Korea has no legal precedents for dealing with air piracy, the government has sought information from other countries, diplomatic sources said. China has executed people for the attempted hijacking of aircraft.

## Japan Tells Asians About Army Goals

Compiled by Our Staff From Dispatches

**KUALA LUMPUR** — Prime Minister Yasuhiro Nakasone of Japan assured his Southeast Asian neighbors Monday that his policy of strengthening Japan's military forces posed no threat to their security.

Mr. Nakasone also said that "we strongly hope" that SS-20 missiles deployed by the Soviet Union in Siberia will be withdrawn.

The Japanese leader, who is in Malaysia on a tour of Southeast Asia, made the statement in reply to a question about reports that there were indications that the Soviet SS-20 missile force in Asia might be doubled.

He said that if a compromise was reached at the Geneva negotiations, "it should not be made at the expense of Asia."

"Therefore, we firmly oppose any deployment to Asia of missiles to satisfy reduction of numbers in Europe," he said.

Mr. Nakasone said at a luncheon in Kuala Lumpur that Japan would continue to "preserve its security" through diplomatic channels as well as through arrangements with Washington.

In seeking to allay fears expressed by Southeast Asian nations occupied by Japan in World War II, he said his policies were aimed at maintaining a "minimum necessary self-defense capability."

"This is more than a matter of policy," he said. "It is deeply rooted in strong and unchanging Japanese national sentiments deriving from our sincere contribution at the past."

Japan has agreed to a U.S. request that Tokyo share the burden of patrolling sea lanes extending 1,000 nautical miles from the main Japanese islands. Patrol of the sea lanes would put Japanese warships in the waters of several Southeast Asian countries.

"To improve its self-defense capabilities, Japan is determined to commit itself solely and exclusively to self-defense and not to become a military power, threatening neighboring countries," he told an audience that included the Malaysian prime minister, Mahathir bin Mohammed.

Mr. Nakasone has already visited the Philippines, Indonesia, Thailand and Singapore, which with Malaysia form the Association of Southeast Asian Nations.

The prime minister said the maintenance of "close and friendly relations" with members of ASEAN will remain "a major pillar" of Japan's foreign policy.

The Japanese press gave wide coverage Monday to U.S. newspaper reports that the construction of new SS-20 missile bases had begun. The Soviet Union now has 108 SS-20s in Asia capable of hitting tar-

gets in China and Japan, according to the reports.

A Japanese Foreign Ministry source said Japan has asked the Soviet Union to withdraw SS-20 missiles from Asia, saying they are a threat to Asian security.

Tokyo has also strenuously objected to suggestions by Soviet leaders that missiles be redeployed in Asia.

Earlier Monday, Mr. Nakasone met with Mr. Mahathir and said he hoped a 50-percent increase in Japan's import ceilings on Malaysian manufactured goods at the beginning of next year would ease trade frictions between the two nations.

The balance of trade between the two swung back to Japan's favor in 1982 by \$600 million after Malaysia had a surplus of \$500 million in 1981.

Mr. Nakasone is scheduled to leave the Malaysian capital Tuesday for a brief stopover in the Sultanate of Brunei on the island of Borneo en route to Tokyo.

■ **Japan to Monitor Soviet Ships**  
A Japanese naval ship will be assigned to the Soya Strait off Japan's main northern island of Hokkaido to monitor the movement of Soviet warships, the defense agency said Monday, according to a Reuters report from Tokyo.

It said a 2,000-ton destroyer would start round-the-clock monitoring Tuesday.

Surveillance of the strait, which

freezes during the winter, has in the past been conducted by aircraft and ground observations.

The strait serves as a route linking Vladivostok, where the Soviet Pacific fleet is located, and Petropavlovsk, a naval base on the northern Pacific peninsula of Kamchatka.

The Japanese Navy has already assigned warships to record the passage of Soviet Navy vessels coming in or out of the Sea of Japan through the Tsugaru Strait in northern Japan and the Tsushima Strait in western Japan.

The agency said an average of 205 Soviet warships pass through the Soya Strait every year, 60 through the Tsugaru Strait and 165 through the Tsushima Strait.

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## Czech Party Bids Global Meeting

By Thomas O'Toole

**VIENNA** — The Czechoslovak Communist Party newspaper, Rude Pravo, has renewed a call for a world conference of Communist parties. The idea was first raised nearly three years ago, but has received little public support from other ruling parties.

"The dangerous policy of confrontation, of missing terms, carried out by the United States administration provides ever increasing needs for an international conference of Communist and workers' parties," the paper said Friday. It was read here Monday.

Western diplomats said it was not clear whether the article signaled a renewed campaign to convene the proposed conference, or was merely a routine restatement of the Czechoslovak position.

The southern states are also planning to press for a bigger slice of federal disbursements, which state officials say, favor the northern states in the Hindi-speaking belt where Congress-I has an overwhelming parliamentary majority and controls state assemblies.

It is unclear how far the southern states will be able to take their reform movement. Internal disputes and language chauvinism could undermine the council's early unity. Or Mrs. Gandhi's strategy could be to bait the lobby's momentum with a draw-out inquiry.

But the movement's tacticians say that by appointing a prestigious commission to re-examine federal-state relations, Mrs. Gandhi has given regionalism a new legitimacy and the movement can only gain in strength.

## NASA Puts Off Launch Of Satellite by Shuttle

By Thomas O'Toole

**WASHINGTON** — NASA has decided to postpone the launch of a second \$100-million communications satellite because the space agency does not understand what caused the first satellite to tumble out of control last month and end up in an orbit orbit.

"It's a very remote that Challenger will be carrying a second Tracking Data and Relay Satellite when it flies in August," Robert Allen, sat-

ellite program manager for the National Aeronautics and Space Administration, said Friday of the upcoming launch of the space shuttle.

This means that the eighth shuttle flight, in August, will carry only a small communications satellite, called Insat, into orbit for the government of India.

As a substitute for the Tracking Data and Relay Satellite, the space agency will send up an 8,500-pound (3,825-kilogram) test payload, which will be used to exercise the shuttle's robot arm designed to retrieve and deploy satellites.

Postponement of the second Tracking Data and Relay Satellite launch means that the \$1-billion Spacelab, built by the European Space Agency and scheduled to fly on the ninth shuttle flight in September, will not be able to carry out a full mission.

This is because Spacelab's 40 instruments are built to work at such high speeds in orbit that at least two of the tracking satellites have to be in place.

NASA and the European Space Agency announced Friday that they had decided to fly Spacelab on schedule Sept. 30 using only a single Tracking Data and Relay Satellite rather than postpone the flight. At best, a source said Friday, the first Spacelab mission will reap a 60-percent to 70-percent return from its scientific experiments.

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## Voting to Test S. Africa Race Reform

By Allister Sparks  
*Washington Post Service*  
LOUIS TRICHARDT, South Africa — A U.S. diplomat, relaxing on the porch of a hotel in this country town near South Africa's northern border, wisecracked the other day that for the first time his government was hoping to see the ruling National Party win an election.

He was one of several Western diplomats who have been coming here periodically from Pretoria to watch the campaigning in a bitterly fought special election.

The most senior member of the cabinet, Manpower Minister Stephanus P. (Fanie) Botha, is fighting for his political life against a candidate of the new far-right Conservative Party.

In the past, U.S. and other West-

ern observers have hoped to see the National Party lose ground because it is the party responsible for South Africa's policy of strict racial segregation, called apartheid.

This time it is different because under Prime Minister Pieter W. Botha the government has been introducing some small reforms, which the Reagan administration hopes may open the way to more fundamental changes.

This caused hard-liners to break away and form the Conservative Party last year.

If the Conservatives can inflict setbacks on the government in this and two other special elections Tuesday, the reforms may be abandoned and Mr. Botha's position as prime minister could be in jeopardy.

The American diplomat said: "If

Fanie Botha loses, 'constructive engagement' could be dead."

He was referring to the Reagan administration's policy, under increasing criticism from Congress, of supporting the Botha government in the belief that it offers the best hope of ending apartheid.

Last February Stephanus Botha challenged the Conservatives' leader, Andries P. Treurnicht, to resign their parliamentary seats jointly to test support in their adjoining constituencies.

Mr. Treurnicht accepted. Most political commentators consider both races, and a third in a Pretoria constituency, too close to call.

Most people questioned here say they think Stephanus Botha, who has held the seat for 25 years, will scrape home.

But experienced observers are wary of people misleading canvassers because they fear reprisals if they say they are not voting for the government's candidate.

In a constituency such as Mr. Botha's Soutpansberg, where the powerful minister has been dispensing favors for a long time, "people are being intimidated," his Conservative opponent, Thomas Langley, complained.

The Soutpansberg constituency along the border with Zimbabwe, is South Africa's frontier.

To the south, in Mr. Treurnicht's constituency of Waterberg, attitudes are, if anything, even more hard-line.

Mr. Treurnicht will be hard to beat, even though the far right vote will be split by the intervention of the even more rightist National Reform Party. Its leader, Jaap Marais, a longtime rival of Mr. Treurnicht, is the candidate.

One might have thought the National Party, having embarked on

their reformist course, would have been willing to write off deeply conservative seats like these, since they have more than a two-thirds majority in Parliament.

But campaign workers fear that the Conservatives may succeed in projecting themselves as the true defenders of Afrikaner nationalism, leading to a landslide in the rest of the country.

The election in the Pretoria constituency of Waterkloof is different. Here one finds the new Afrikaner, more prosperous and urbane and increasingly more politically enlightened than those in the country.

The seat became vacant because Mr. Langley resigned it to run against Mr. Botha in Soutpansberg.

With the right-wing vote split between the National Party and the Conservatives, the integrationist Progressive Federal Party, the main opposition in Parliament, appears to have a chance to win.

### Uneasy Coalition Is Sworn In by King of Thailand

*United Press International*  
BANGKOK — King Bhumibol Adulyadej Monday presided over the swearing-in of a new Thai government uniting liberals, conservatives, soldiers and civilians in an uneasy compromise coalition.

The 44 members of Prime Minister Prem Tinsulanonda's cabinet — the maximum number allowed under the constitution — took the oath of office at Chitlada Palace.

The new government includes 209 political parties representing 209 of the 324 seats in the kingdom's lower house of parliament.

The coalition partners range from the left-leaning Democrat Party to the rightist Thai Citizen Party led by the new communications minister, Samak Sundaravej.

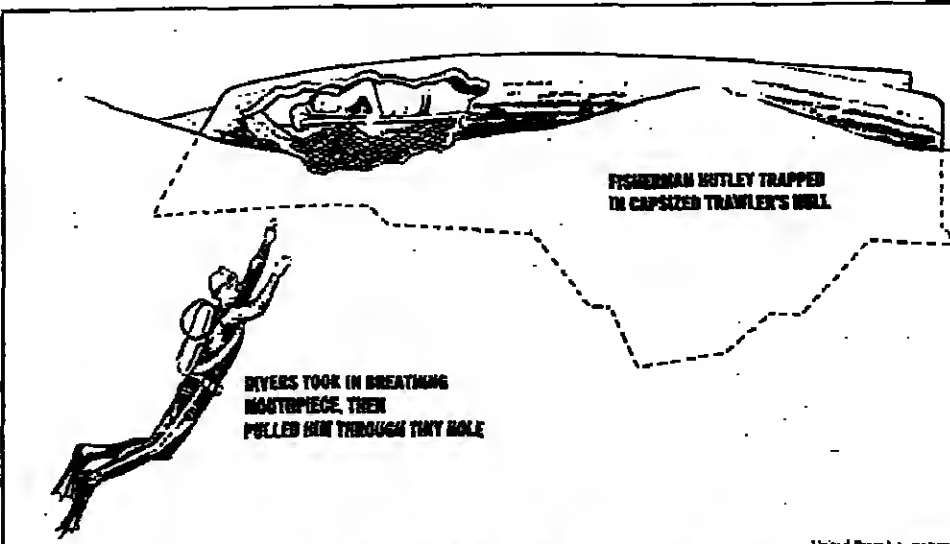
The centrist Social Action Party led by a former prime minister, M.R. Kukrit Pramoj, won the largest number of seats in the general election April 18 and was given the foreign affairs, agriculture and commerce portfolios.

Mr. Prem retained personal control of the Defense Ministry, in addition to his duties as prime minister, and selected 10 cabinet members who do not belong to any party.

Announcement of the new coalition was viewed as a setback for the military.

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An artist's impression of how John Hutley was rescued.

## Man Survives 2 Days in Capsized Boat

*United Press International*

WELLINGTON, New Zealand — Police divers rescued a diabetic fisherman Monday from a tangle of nets beneath his capsized boat where he had survived for two days by wedging himself into a tiny air pocket with diesel fuel.

Another seaman, the captain of the stricken trawler Jan, clung to the upturned hull of the same boat for 33 hours before he was rescued by helicopter Sunday, authorities said.

The 30-foot (9-meter) trawler

was capsized in the Tasman Sea by a wave estimated at 56 feet. Reg Stevens, the captain, hung on in 25-knot winds and 13-foot seas until a small plane chartered by his fiancée spotted the vessel and called for a helicopter rescue.

But John Hutley, 53, remained trapped inside the boat in an air pocket about 20 inches (50 centimeters) high between the water line and hull. A local diver tried to free Mr. Hutley on Sunday but was thwarted by a tangled mess of fishing nets and ropes and radioed for help.

Mr. Hutley said he spent the two days thinking about his feelings for his wife and family and thinking about God. "But He never came," Mr. Hutley said. "Satan didn't either. It was just me and my mind."

Mr. Hutley, a diabetic, said he had not suffered without his daily insulin injection. "I slowed everything down and got by without it," he said. "I suppose I was under the boat for most of the weekend. It didn't feel that long. You can make yourself comfortable anywhere."

## Polish Communist Party Delays Sensitive Conference on Ideology

By Dan Fisher

*Los Angeles Times Service*  
WARSAW — The Polish Communist Party has indefinitely postponed a sensitive meeting on ideology of its policy-making Central Committee amid evidence of serious new factional disputes in the leadership and of Soviet displeasure with current government policy, party sources said Monday.

The developments follow several weeks of growing tension here, capped earlier this month by the first significant anti-government demonstrations in six months and the most serious protests since last summer.

The party sources said that a Central Committee meeting, originally scheduled for this weekend has been delayed for at least several days. It was postponed until after the planned papal visit to Poland in late June, they said.

The postponement follows publication late last week by a Soviet magazine of an article sharply critical of a Polish party newspaper identified with one of the principal advisers of General Wojciech Jaruzelski, who leads the country. It also criticized by name two low-level party officials associated with General Jaruzelski.

One Polish party source characterized the Soviet article as "an extremely crude and brutal intervention" by Moscow into Polish affairs.

Another compared the article's impact on the leadership with that of an angry Soviet letter to Polish party officials in June 1981. The letter is seen by many here as the first step that led six months later to the imposition of martial law and the end of the Solidarity experiment.

While these and other recent developments suggest the most serious offensive against General Jaruzelski's rule in many months, the sources said it does not appear that the general's critics pose a direct, immediate threat to his position. Rather, they said, his opponents, with Soviet backing, are trying to impose on him even more repressive policies than he and his ruling team have already adopted.

Given the already intensifying internal political struggle here, the critical article in the current issue of the Soviet foreign affairs weekly, "New Times," caused great consternation among the Polish leadership.

The article savagely attacks the Polish Communist party weekly, "Polityka," for allegedly propagating "views foreign to proletarian, communist ideology."

"Polityka" was edited for 25 years by Mieczyslaw Rakowski, General Jaruzelski's relatively moderate deputy premier and reputedly a member of the secret "kitchen cabinet" of party and military officials who have been making day-to-day decisions about running the country since martial law was imposed nearly 17 months ago.

Mr. Rakowski resigned as Polityka's editor last September because of the press of his government duties, but much of the material specifically criticized by "New Times" was printed before then.

The Soviet journal said that recent pro-Solidarity demonstrations in Poland proved that the "counter-revolution" had not yet been defeated, and it added that a "sharp struggle on the ideological front is increasingly significant."

In the face of this struggle, "New Times" charged, Polityka had car-

ried articles reflecting "false" or "revisionist" thinking.

It specifically criticized articles written by Jerzy Wiatr, General Jaruzelski's hand-picked director of the important Institute for Marxism-Leninism, and by Ludwik Krasucki, deputy editor of the theoretical communist monthly "New Paths" and reputedly a speech writer for General Jaruzelski.

While the Soviet magazine did not mention Mr. Rakowski by name, it did contrast his signed editorial on the proper role of the newspaper in advancing socialism with the journal's actual content.

Government and Polityka officials refused comment Monday about the Soviet attack.

Under the circumstances, however, it seems clear that the long-awaited 12th plenum (as full Central Committee meetings are called) on ideological questions would degenerate into a bitter debate with uncertain consequences.

### Walesa Guard Called Off

Police called off their guard around Lech Walesa's house on Monday while the former Solidarity leader was at work, and released nine of his union associates from detention, United Press International reported from Gdansk.

After he had returned home, Mr. Walesa said, "I think it was an attack to prevent me from spreading the news of the meeting Friday. He was referring to a secret meeting of the banned trade union that he attended Friday night in Warsaw. After the meeting, Mr. Walesa was placed under heavy police guard. Nine of the 20 to 30 union officials who attended the meeting remained in custody.

## Spain Vote Dominated By Socialists

### Left Surpasses 50% In Regional Elections

*Compiled by Our Staff From Dispatches*

MADRID — Four decades after its defeat in the Spanish Civil War, the left was consolidating its position Monday as the dominant political force in Spain.

The Socialists and Communists won more than half of the vote in Sunday's local elections, virtually sealing the collapse of the center and continuing a trend toward a two-party democracy.

With 99 percent of the ballots counted, the ruling Socialist Workers' Party of Prime Minister Felipe Gonzalez has secured 43.3 percent of the vote to control 10 of the 13 regional parliaments elected Sunday and virtually all of the municipal councils in major cities and towns.

The Socialist vote was 2.7 percentage points lower than the 46 percent they won in general elections last October. The lost ground appeared to have gone to the Communists, who increased their vote from below 4 percent to 5 percent, but remained far behind the 13.5 percent that it won in the municipal elections of four years ago.

The rightist Popular Alliance gained about a point, winning 26.2 percent, and took the regional parliaments of the Balearic Islands, Cantabria and Navarre. "We have proven that we are the only viable alternative to the Socialists," said Manuel Fraga Iribarne, the party leader.

The Social and Democratic Center Party of the former prime minister, Adolfo Suarez, fell to 1.7 percent from 2.8 percent in October.

The Socialists won an outright majority in Madrid and in 29 provincial capitals, including several former rightist strongholds. The Socialists won 30 of the 57 seats in the Madrid city council to 23 for the Popular Alliance. The Popular Alliance won seven provincial capitals.

The Socialist victory meant that the party could in many cities drop municipal power sharing with the Communists. The Socialists were certain to keep the mayoralties in four of the five biggest cities — Madrid, Valencia, Seville and Zaragoza — but may need Communist backing in Barcelona.

The Communists took only one provincial capital, retaining the ancient Moorish capital of Cordoba. Mayor Julio Anguita won nearly 58 percent of the vote to 15.6 for the Socialists. Mr. Anguita's victory was attributed to his strong local following and was a welcome boost to the Communists, who were contesting an election for the first time under their new party leader, Gerardo Iglesias.

The other major feature of Sunday's elections, in which 67 percent of the electorate voted, was the ground won by the Socialists in both Catalonia and the Basque country.

The Socialists fought off a strong challenge from the conservative Catalan Convergencia i Unio coalition to hold on to Barcelona, and made big gains elsewhere in Catalonia.

The party also consolidated its position in the Basque country, wresting some traditional nationalist areas from local parties, notably in the industrial belt around Bilbao.



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'Julia,' 'Mary' and Lillian Hellman

By Edwin McDowell

NEW YORK — Yale University Press is about to publish the memoirs of an American woman who was active in the underground in World War II, memories that raise questions about Lillian Hellman's similar account of anti-Nazi activities.

The Hellman memoirs, "Pentimento," published in 1973, portray a pseudonymous childhood friend of the author called Julia. This part of the book became the basis for "Julia," the 1977 motion picture, starring Jane Fonda and Vanessa Redgrave. The character of Julia has long been a subject of literary controversy. In Hellman's memoir, she describes Julia as a real person with whom she was briefly involved in the anti-fascist underground just before World War II. Critics have long suggested that Julia is a composite figure or even an invention.

The Yale book, "Code Name 'Mary,'" is by Dr. Muriel Gardiner, a psychoanalyst, who joined the anti-fascist resistance during her student days in Vienna. Both the Yale publicity release and the

book's dust jacket declare that many people believe Gardiner's life was the model for the Hellman story. One of those people is Joseph P. Lash, the biographer of Eleanor Roosevelt. On the jacket he writes: "No self-styled thriller can match this book's story. There are no fantasies. Names are named. There are real Socialists and Communists as well as Nazis and Fascists. They are recognizable and verifiable."

Asked if he was thinking of "Julia" when he wrote the blurb, Lash replied, "I don't want to get into a controversy with Lillian Hellman, but I was." He added: "The thing that appealed me, 'Julia' ends up with Lillian Hellman bringing Julia's body back to this country. Well, if Julia is an effect, Muriel Gardiner, then I think readers are entitled to some explanation."

Hellman said that she had never heard of Gardiner until late last month. "She may have been the model for somebody else's Julia, but she was certainly not the model for my Julia," she said. In a commentary for a new edition of "Pentimento," in 1979, Hellman said she refused to reveal Julia's name for personal and legal reasons.

"I don't make any claims of being Julia because I couldn't possibly prove it," said Gardiner, who is 61 years old and lives in Pennington, New Jersey. But she added that the resemblances are "remarkable."

Hellman portrayed Julia as a wealthy American who attended Oxford University and then went to a medical school in Vienna, became a patient-pupil of Sigmund Freud and a Socialist, gave birth to a daughter and died in May 1938, apparently after having been tortured by the Nazis, who found her in an underground colleague's apartment. Somehow Julia got to London before she died, and Hellman wrote that she flew to London and brought the body home but was unable to find Julia's mother. "I had the body cremated," she wrote, "and the ashes are still where they were that day so long ago."

In Gardiner's book, to be published on May 18, she says she was a wealthy young graduate of Wellesley College who attended Oxford, went to Vienna, hoping to be analyzed by Freud, received a degree in medicine at the University of Vienna, married Joseph Buttigieg, leader of the Austrian Revolutionary Socialists, and in 1934

became involved in anti-fascist and anti-Nazi activities. Using the code name "Mary," she smuggled passports and money and offered her home as a safe house for anti-fascist dissidents. In the fall of 1939, at the outbreak of World War II, the couple and their daughter sailed for the United States.

Gardiner edited "The Wolf-Man" by the Wolf-Man, documents in the case history of a wealthy young Russian who went to Vienna in 1910 to be analyzed by Freud and who became the subject of Freud's "History of an Infantile Neurosis." Gardiner met Freud only once, but she knew the "Wolf-Man" in Vienna, and "Code Name 'Mary'" carries a foreword by Freud's late daughter Anna.

In her 1979 commentary for "Pentimento," Hellman wrote that Julia's body, as well as the man and woman with whom she was boarding, "were among the first to be wiped out by the Germans when they entered Alsace." The Buttigiegs' daughter, Connie, lives with her husband and six children in Aspen, Colorado.

"Think about it," said Gladys Topkis, Gardiner's editor at Yale University Press. "How many American millionaire medical students were there in Vienna in the late 1930s who married the head of the resistance and were active in that resistance?"

Gardiner said that on Oct. 26, 1976, she wrote Hellman in care of her publisher, pointing out that many friends and acquaintances had noticed the similarity between Julia and her, and wondered if Julia might be a composite. She said she did not receive a reply. Hellman said if she received such a letter she doesn't remember it.

In the introduction to her book, Gardiner says that she never met Lillian Hellman, but that she had often heard about her from a friend with whose family she shared a house for more than 10 years and who had visited her once in Vienna. That friend, Wolf Schwabacher, once Gardiner's lawyer, is now dead. Dr. Gardiner adds that on a visit to Vienna she asked Dr. Herbert Steiner, director of the Documentation Archives of the Austrian Resistance, whether other American women he knew of who had been deeply involved in the Austrian underground.

"He knew of none," she writes. "Some months later, Dr. Steiner wrote me that since our talks he had renewed contact with many former resistance workers to ask them about American women they had known or heard of who were deeply involved in the resistance. Their answer was always: 'Only Mary.'"

Hellman said she was not surprised that Julia remains a mys-



Lillian Hellman

tery figure. "Who would keep archives of an underground movement?" she asked. "That's comedy stuff. A real underground movement would have been in hiding and would have had almost no records."

'Lives': Coward Embalmed

By Frank Rich

NEW YORK — The tone of the Richard Burton-Elizabeth Taylor "Private Lives" is established right off. When Burton makes his first entrance on to the attractive Dearville hotel terrace designed by David Mitchell, he looks anything but happy. His face is frozen in an expression of less-than-exquisite pain, and there's no bounce as he walks about on his stacked boots. He's not Noel Coward's flippant hero Elyot Chase — he doesn't even seem to be an actor. In his immaculate Savile Row business suit, Burton mostly resembles a retired millionaire steeling himself for an obligatory annual visit to the accountant.

Taylor is scarcely more buoyant. She enters in the first of several Theoni V. Aldredge costumes that fail to further the illusion of what Coward described as his "quite exquisite" heroine. Nor that it matters — Taylor isn't trying to play Amanda Fyrrne. When she looks at her co-star, her glances betray neither rapture nor revulsion; she looks past him, not at him. It's only when she stares out into the vast reaches of the Lunt-Fontanne that her eyes reveal a hint of sparkle: what she sees then is a full house.

And so you have the complete picture. From the start, the production never even pretends to be anything other than a calculated business venture. While this "Private Lives" does plod on — and on and on — for another two and a half hours (despite substantial pruning of the script), the first impression it leaves is the last. Nothing that happens at any time has any bearing on Coward's classic 1930 comedy.

That play, the seeming inconsequentiality of its dialogue notwithstanding, is a wise and painful statement about both the necessity and the impossibility of love. In this version, whose billed director is Milton Katselas, there's no attempt to mine the gold beneath the text — or to make the most of the on-the-surface dross. Instead we get an intermittent effort by the stars to create the fan-magazine fantasy that their own offstage private lives dovetail neatly with Coward's story of a divorced couple who rekindle their old passion after meeting by chance on their second honeymoons. Announcing that she's "scared of marriage," Taylor takes a disingenuous pause almost long enough to contain a whole one-act Coward play and then winks at the audience, lest we miss the purple irony.

But life doesn't imitate art in this "Private Lives" — it obliterates it. Early on, we see that, unlike Elyot and Amanda, Burton and Taylor have little lingering affection for each other — or none that they can either convey or fake on stage. When Burton finally crosses from his side of the terrace to embrace Taylor in Act I, he approaches the task with the stealthy gait of Count Dracula stalking a victim. When, in the Paris flat of Act II, he grabs his co-star's (covered) breast from behind, he evinces the perfunctory, clinical detachment of a physician who's examined too many patients in one day — and Taylor responds as if under anesthesia.

Taylor lists about, her hands fluttering idly, like a windup doll in need of a new mainspring. Her voice — sometimes a Southern-accented falsetto, sometimes a campy screech — often mangles simple words (like "pompous") and occasionally defies the amplification system by evaporating entirely. The single line she speaks with conviction is a plaintive, "How long, oh Lord, how long?" Burton's voice, by contrast, remains a crisp, mellifluous instrument that snarls a few legitimate laughs on some of Coward's more barbed lines.

Perhaps if the stars acted as if they were enjoying themselves, this evening could have worked. But Taylor and Burton look whipped and depressed as they go through the motions of "Private Lives." Far from turning back the clock to a more glamorous past — whether Coward's, Elyot's and Amanda's, or their own — they succeed only in making the rest of us feel very, very old.



Muriel Gardiner in 1934.

Resnais' 'Vie': Less Than Meets the Eye

By Thomas Quinn Curtiss

PARIS — Alain Resnais' "La Vie est un roman" is a dizzying variation on the search-for-happiness theme, suggesting the premise of Maeterlinck's "Blue Bird" re-paraphrased with modern psychological plumbing: by the scriptwriter, Jean Gruault.

To illustrate the quest for self-realization it tells three stories simultaneously. This is not quite as original a device as novice moviegoers might imagine. D.W. Griffith interwove four stories in "Intolerance" and Charles Brabin five in "The Bridge of San Luis Rey," not to mention "Grand Hotel" and its countless imitations.

The Resnais-Gruault trio are bound geographically, but not in time. Their unifying setting is a hideous neo-Renaissance chateau that an eccentric Lithuanian count has built for utopian purposes in the Ardennes forest on the eve of World War I. There he piles up guests with magic potions to banish memories of the past. Ruggero Raimondi, the opera star, is the Dracula-like host, whose noble experiment explodes when the woman he loves (Fanny Ardant) loses faith in his spiritual rejuvenation process.

Next we have the forbidding castle become a progressive kindergarten after World War II, a magnet for avant-garde pedagogues and later-day do-gooders to air their views on education. In the fold are Vittorio Gassman as a renowned Italian architect, Geraldine Chaplin as a swinging Yankee anthropologist, Robert Manuel as the flustered director of the institute, and Sabine Azema as an idealistic schoolmar.

The third tale is a nursery fable with a dashing prince righting wrongs in a fairyland realm. In these episodes the participants occasionally and depressingly raise their voices to sing dismal doggerel, but the youngsters at play are a pleasant surprise after listening to the fascist declarations and mumbo jumbo of their stuffy elders. The moral appears to be the platitudes that in the young lies the hope of tomorrow and possibly the path to human contentment.

The production is elaborate and the cast all-star, though Resnais has neglected to supply its members with rewarding roles. As a political spectator remarked to her companion after the film's showing: "It's very special, extremely special." A candid comment would be that there is less in it than meets the eye, for its pictorial values are superior to its narrative.

Claude Lelouch has limited himself to telling two stories in his "Edith et Marcel," an attempted reconstruction of Piaf's romance with the champion pugilist, Germain. Lelouch's second story is silly fiction and superficial, and without it his film would be improved and mercifully shorter.

As an American movie already has made us privy to Piaf's humble beginnings and early melodramatic experiences, Lelouch has skipped her phenomenal rise from Parisian street warbler to international star. In soap-opera fashion he pictures the boxer's timid wooing of her when she was at the zenith of her career, her hesitant surrender to him and her heartbreak when he was killed in an airplane crash. We see him in the ring and we see her captivated cabaret audiences. These scenes are done with Lelouch's customary verve, but why the insertion of a subordinate plot that has nothing to do with either Edith or Marcel?

The answer is that it affords the leading actress, Evelyn Baer, who impersonates Piaf, an opportunity to do something else, doubling in slice of hokum about a woman who corresponds with an imprisoned poet who has never seen during the war. Predictably, when they meet she finds he is not the fine, handsome fellow he has described himself and she takes up with his comrade, who has penned his letters for him.

Baer bears scant resemblance to Piaf and apparently is no singer. Piaf's voice is dubbed in for the old favorites and Mama Bea renders three new numbers (music by Francis Lai, words by Charles Aznavour). Marcel Cardin Jr. appears as his father. The family face is vaguely discernible, but junior requires histrionic training if he is to have an acting future. Jacques Villaret, an obese comic, and Francis Huster, late of the Comedie Francaise, are participants in the unnecessary accompanying story.

Roger Vadim's "Surprise Party," though only partially satisfactory, has a breezy freshness and incidents of charming humor. It has to do with a set of youngsters in the 1950s who have just received high-school diplomas and are preparing for adult life. Vadim has sketched them against the Parisian background with some engagingly and interestingly capturing the zeit and pathos of adolescence with revealing accuracy. His son, Christian Vadim, a replica of his papa, makes a promising debut in the lead.

The Italians have often surpassed their Gallic colleagues at amusing sex comedy, but Dino Ris's latest contribution, billed here as "Les Demeurs monstres," discloses the erotic farce in sad decline. The two earlier "Monstres" movies, collective work of several directors including Ris, contained bits of memorable brilliance. The last — and one is relieved that it is the last — is vulgar, empty and transparently contrived. Nor is its dominating comedian, Johnny Dorelli, of aid in according it the necessary lift. He changes disguises in the series of revue blackouts, but he is a consistently gloomy funny-man.

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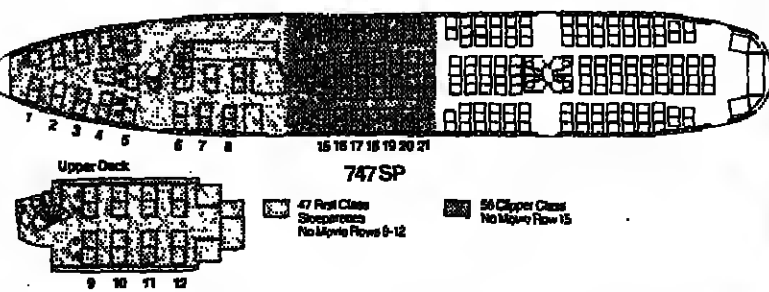
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Market Summary, May 9									
Dow Jones Averages					NYSE Index				
Open	High	Low	Close	Change	High	Low	Close	Change	Volume
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567

### Monday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

12 Month	High	Low	Stock Div.	Yld.	P/E	100s	High	Low	Close	Change
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567

12 Month	High	Low	Stock Div.	Yld.	P/E	100s	High	Low	Close	Change
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567
123.71	124.15	123.50	123.71	+0.10	101.15	100.80	101.15	+0.10	1,234,567	1,234,567

COMMODITIES

International Herald Tribune

World and Finance

Here and there prices. The following are closing prices.

(Continued on Page 10)

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TUESDAY, MAY 10, 1983

## COMMODITIES

By H.J. MAIDENBERG

### Long-Term Treasury Bond Rally Has Limited 'Wild Card Option'

NEW YORK — One of the major reasons Treasury bond futures have long been the most actively traded contracts in the U.S. commodity market is that traders who sell futures short can use what is known as the "wild card option," when bond cash and futures prices are falling.

What the shorts could do profitably when bond prices were declining was wait until the delivery month arrived, rather than buy out of their position well before the expiration of the contract, which is normally the case in most commodity markets.

Just before expiration, if prices of the underlying bonds were still declining, they would buy the cheapest Treasury bonds they could find in the cash market and deliver or "put" them to holders of the long (buy) futures and thus settle their contractual obligation.

The reason the shorts can do this is that the Chicago Board of Trade permits the delivery of a relatively wide range of Treasury bonds against their contract, so the shorts have a variety of "wild card options."

A Treasury bond futures contract consists of \$100,000 face amount of securities. But the contract cannot specify the value of deliverable bonds because that is determined in the open market.

Since last February, however, fewer shorts have been "putting" actual bonds to the longs because interest rates have been softening.

Late Friday, after the Federal Reserve announced an unexpected \$1.4-billion rise in the M-1 money supply figures, prices of Treasury bonds fell in the cash market. Quickly, bond futures traders who were short the spot June delivery were in the cash market buying the cheaper bonds.

"While last Friday's Fed numbers and the subsequent drop in cash bond prices may be a temporary aberration, it helped a lot of hard-pressed shorts in the bond-futures market," said Norman E. Mains, financial markets research director at Drexel Burnham Lambert's Chicago office.

The bond futures market closes at 3 p.m. New York time, or an hour before the Fed's weekly money supply figures are announced, but the cash market remains open for several hours afterward, Mr. Mains said, noting:

"The time factor is important because the Chicago Board's bond contract specifications give shorts the option of notifying their clearing member broker up to 8 p.m. that they intend to make delivery on any business day during the delivery month, or the two last business days of the previous month. The current spot bond futures contract is June and that contract expires on the 21st of next month."

#### Big Loss for Shorts

When the bond futures market closed Friday, the June delivery, the most actively traded, was up 10 3/4, at 79 1/2, which produced a big loss for futures shorts. Each thirty-second of a point is equivalent to \$31.25 per contract.

But when the cash market closed, the last quote for the Treasury's 14-percent bonds of 2006-11, were down 11 3/4 on the day. The bellwether 14-percent bonds are usually the cheapest Treasury paper that shorts put to the longs because the prices of these long-term instruments are often the lowest available.

By using the wild card option and sellers put, many arbitrageurs as well as ordinary traders made large profits when bond prices were tumbling late last year. Mr. Mains said, explaining:

"Stripping away the carrying, or financing costs, arbitrageurs and other traders were making between 12 1/2 and 20 1/2 by buying the 14-percent Treasury bonds in the cash market, especially late on Fridays, and delivering them against the futures."

#### Value of Sellers Put Shrank

Why Friday? Mr. Mains replied: "Before the Fed de-emphasized the M-1 money supply numbers, each rise in the figures announced every Friday afternoon would cause the cash bond market to plunge, a situation that often carried over to Monday."

But since the M-1 numbers were de-emphasized and, concurrently, the rally began in February, the value of the sellers put shrank to as low as 4 1/2, or an eighth of a point, because investors were bidding up the price of the Treasury 14-percent bonds and other bonds in the cash market, until late Friday.

Because one-day price moves are meaningless, bond futures shorts, thinking of using the sellers put and wild card option strategies with the expiring June contract should be very careful, he added.

The New York Times

## CURRENCY RATES

	2-Month	3-Month	6-Month	9-Month	12-Month	18-Month	24-Month	36-Month	48-Month
American dollar	274	432	112,025	21,32	8,107	1,442	134,61	21,32	1,442
Frankfurt	46,7	74,9	19,94	4,92	2,332	17,74	23,84	5,69	2,332
London (C)	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Paris	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Swiss franc	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
West German mark	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Japanese yen	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Italian lira	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Spanish peseta	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Portuguese escudo	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Belgian franc	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Dutch guilder	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Swedish krona	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Norwegian krone	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Denmark krone	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Finland markka	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Yugoslav dinar	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Czech koruna	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Slovak koruna	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Hungarian forint	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Romanian leu	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Bulgarian lev	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Greek drachma	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Turkish lira	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Israeli sheqel	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Indian rupee	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Pakistani rupee	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Sri Lankan rupee	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Thai baht	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Singapore dollar	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Malaysian ringgit	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Philippine peso	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Indonesian rupiah	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
Brunei dollar	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
East German mark	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
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Italian lira	1,58	2,6	3,715	12,14	1,777	8,84	11,32	1,777	8,84
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Brunei dollar	1								















## Bond Market Is Hungary's Latest Innovation

By Jonathan Lynn

**BUDAPEST** — Hungary's decision to set up a new bond market to finance companies, the first in Eastern Europe since World War II, is the latest example of an innovative spirit in Hungary's economy, Western economists say.

The first issue of the bonds, in March, followed reports of a bank discreetly paying high interest on hard-currency accounts and prompted much Western press comment that Hungary was reverting to capitalism.

Since 1968 Hungary has pursued a policy of decentralization and encouragement of private initiative, with the result that it now has one of the most efficient and competitive export economies in Eastern Europe.

Hungarian officials said that the new bonds were a normal form of expanding credit available in the country.

"It would be a strange thing if the difference between capitalism and communism was the existence of a bond market," a Hungarian banker said.

In a rare television interview recently, Janos Kadar, the Hungarian leader, speaking of new management methods to encourage enterprise and efficiency, said: "These are not capitalist methods but socialist methods of a socialist society."

Mr. Kadar said that in 1982 the private sector had accounted for only 1.3 percent of industrial production, 1 percent of agricultural production and 1.1 percent of retail sales.

However, the private taxis on Budapest's streets, the thriving privately operated shops and restaurants and the produce on sale from small farmers, seem to confirm the rather different estimate of one banker, who said that private enterprise accounted for up to one-fifth of the economy if the "second" or black economy were included.

Agriculture, where the reforms were first introduced 15 years ago, is one of the most successful sectors of the economy. Farm production grew 4 percent last year.

Although suspicious of the reforms in the past, the Soviet Union, plagued with food shortages, has shown interest in Hungarian management methods in agriculture. Hungarian bankers said the bonds also aroused interest in Eastern Europe.

The first "enterprise bond," a 200-million-forint (about \$5-million) issue for the state oil and gas trust to finance a gas pipeline, created so much interest that another 200-million-forint issue is to be issued.

The interest surprised even the authorities, showing them that Hungarian enterprises were prepared to invest in other companies rather than simply ploughing back surplus funds into their own companies.

Hungarian bankers said that the main aim of bonds is to allow enterprises to invest in projects that will benefit them. Four-fifths of the subscribers to the gas bond have a direct interest in the construction or use of the pipeline.

The 11.5 percent interest rate is attractive by standards in Hungary, where credit is tight.

Municipal bonds in which people in the general public, who are not eligible for the enterprise bonds, can invest are also being issued.

Bankers said that there are no immediate plans to set up a stock exchange but they did not rule out the possibility after a few years and more bond issues, as a major attraction of bonds is being able to buy and sell them.

The bonds are just one of many financial institutions in Hungary that contradict the Western stereotype of a Communist country.

The national savings bank offers interest rates on hard-currency accounts that are competitive with those in the West. The 65,000 accounts total the equivalent of more than \$30 million dollars and are tax-free.

A capacity exchange has been set up, matching companies that have spare capacity and companies with something to produce.

A bank for financing innovations was founded this year and in a monthly program on television, inventors describe their ideas and interested companies phone in offering to manufacture them.

Last week, Erno Rabik, inventor of the Rabik cube, announced that he was setting up a 7-million-forint fund out of his own pocket to help fund Hungarian innovations.

**Hungary Gets Bridging Loan**  
Hungary has received a new bridging loan of \$100 million from about eight central banks through the Bank for International Settlements, European monetary sources told Reuters in Basel Monday.

The sources, in Basel for the monthly meeting of BIS governors, said the loan package was completed in late April.

It is designed to tide Hungary over a temporary liquidity shortage until the next part of an International Monetary Fund standby credit totaling \$475 million in Special Drawing Rights becomes available in June, the sources said. The IMF is expected to repay the money on Hungary's behalf next month.

## U.S. Agriculture Report Cautiously Optimistic

**WASHINGTON** — After months of cautious, sometimes gloomy forecasts, U.S. Agriculture Department economists are exhibiting a few glimmers of optimism. Although still cautious, the latest outlook summary by the department's Economic Research Service says general economic conditions are looking up.

"Signs of a slow turnaround in the international economy are becoming more apparent, suggesting that a worldwide recovery will begin soon," the report said. "In the developed countries, industrial

production had begun to increase by January 1983. The U.S. economy, which showed moderate growth in the first quarter, is expected to lead the global recovery."

The report, an outline of a larger version to be issued later this month, stock with the agency's farm income forecast issued in April — and continued to credit the government's payment-in-kind acreage program, or PIK, with putting spare back into the agricultural economy.

Farmers have signed up to take about 83 million acres (33.2 million hectares) of cropland from produc-

tion this year. Under the PIK part of the program, eligible producers will get surplus wheat, corn, sorghum, rice and cotton as payment for idling land.

"Although prospective crop supplies are still abundant, the tightening of stocks freely available to the market in 1982-83 and the likelihood of tighter supplies next season have raised market prices for PIK crops substantially," the report said. Corn prices, for example, have recently averaged \$3.04 per bushel, up from \$1.98 last October.

"With higher crop prices, livestock prospects have, in turn, been altered," the report said. "Higher feed prices may force livestock producers — especially of hogs — to rethink their production plans. The result may be smaller meat supplies in 1984 than previously expected, particularly in the second half of the year."

Further, net farm income is expected to "remain level or perhaps even rise" this year. Before PIK, indications were strong that 1983 might decline again.

There was no change in the April forecast showing that net farm income could range between \$20 billion and \$24 billion. That would compare to \$20.2 billion in 1982.

"Production expenses are still expected to decline 2 to 4 percent from last year because of the large cutbacks in acreage planted," the report said. "This would be the first decline in annual production expenditures since 1953."

Demand for short- and intermediate-term farm credit is expected to decline this year because of reduced production costs and larger direct government payments, the report said.

### British Oil-Output Plans

**LONDON** — British North Sea crude oil output is likely to exceed 2.5 million barrels a day by the end of this year, up from its current output of 2.1 million, Petroleum Intelligence Weekly quoted industry sources as saying Monday.

## Le Nickel to Get Capital Infusion

**PARIS** — The French government has restructured the state-owned Société Le Nickel. The state-owned shareholders have agreed to a capital injection of 750 million francs (\$101 million) to cover losses that reached 872 million francs in 1982, the company said Monday.

The government agreed to loan Le Nickel 700 million francs for 15 years, with a five-year grace period.

The restructuring calls for Le Nickel's two shareholders, Elf-Aquitaine and Imetal, to inject 200 million francs each. The Elf-Aquitaine holding company ERAP will provide another 350 million.

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### NOTICE OF REDEMPTION

**ANIXTER**

**ANIXTER INTERNATIONAL FINANCE N.V.**

**8½% Convertible Subordinated Guaranteed Debentures Due 1996**

(Convertible into shares of Common Stock of, and unconditionally Guaranteed on a Subordinated Basis as to Payment of Principal, Premium, if any, and Interest by Anixter Bros., Inc.)

**Redemption Date: June 1, 1983**

**Conversion Privilege Expires: May 27, 1983**

Anixter International Finance N.V. has called for redemption and will redeem on June 1, 1983 all of its outstanding 8½% Convertible Subordinated Guaranteed Debentures Due 1996. The redemption price is 104% of the principal amount of each Debenture plus accrued interest to June 1, 1983 of \$32.11 for each \$1,000 principal amount of Debentures, or a total of \$1,072.11 for each \$1,000 principal amount of Debentures. The Debentures are convertible into shares of Common Stock of Anixter Bros., Inc. until the close of business on May 27, 1983, at a conversion price of \$18.82 per share or 53.70 shares of Common Stock for each \$1,000 principal amount of Debentures. As described below, based upon current market prices, the market value of the Common Stock into which each Debenture is convertible is significantly greater than the amount of cash which would be received upon surrendering such Debenture for redemption.

NOTICE IS HEREBY GIVEN to the holders of outstanding 8½% Convertible Subordinated Guaranteed Debentures Due 1996 (the "Debentures") of Anixter International Finance N.V. ("Finance") that in accordance with the terms of the Indenture dated as of January 15, 1981 (the "Indenture") among Finance, Anixter Bros., Inc. (the "Company"), as Guarantor, and The First National Bank of Chicago, as Trustee, Finance has elected to redeem all the outstanding Debentures on June 1, 1983 (the "Redemption Date"), at a redemption price of 104% of the principal amount thereof plus accrued interest from January 15, 1983 to June 1, 1983, or an aggregate of \$1,072.11 for each \$1,000 principal amount of Debentures. Debentures, together with all unearned interest coupons, should be surrendered for payment of the redemption price and accrued interest at the option of the holder (a) (by hand) to The First National Bank of Chicago, Bond and Coupon Redemption, 40 West Adams Street, Chicago, Illinois, or (b) by mail to The First National Bank of Chicago, Bond and Coupon Redemption, One First National Plaza, Chicago, Illinois 60670, or (c) subject to any laws or regulations applicable thereto in the country of any such office, to the offices of the additional Paying and Conversion Agents set forth below. Payment of the redemption price and accrued interest will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Payment at the offices referred to in (b) above shall be made, at the direction of the holder, by check drawn on, or transfer to a United States dollar account maintained by the payee with, a bank in the Borough of Manhattan, The City of New York.

On the Redemption Date, the redemption price (plus accrued interest) will become due and payable upon each Debenture and interest thereon will cease to accrue. After the Redemption Date, the Debentures will no longer be outstanding in the hands of the holders thereof, and all rights of the holders with respect thereto, including accrual of interest, will cease on and after such date, except only for the right to receive the redemption price and interest accrued to June 1, 1983.

There have been no prior redemptions of the Debentures and, as a result, there have been no Debentures previously called for redemption and not presented for payment.

The election of Finance to redeem all of the outstanding Debentures has been made pursuant to the fifth paragraph of the form of Debenture. The condition precedent to the right of Finance to redeem the Debentures pursuant to such fifth paragraph has occurred because the reported last sale prices per share of Common Stock of the Company ("Company Common Stock") on the New York Stock Exchange on each day on which there was such a reported sale price during the 30-day period immediately preceding the 20th day preceding the date upon which this Notice of Redemption was first published was at least 130% of the Conversion Price (as defined in the Indenture) in effect on each such day.

### CONVERSION OR SALE ALTERNATIVES

Debentureholders have, as alternatives to redemption, the right to sell their Debentures through usual brokerage facilities or, before the close of business on May 27, 1983, to convert such Debentures into Company Common Stock. The right to convert the Debentures will terminate at the close of business on May 27, 1983.

The Debentures may be converted into Company Common Stock at the rate of 53.70 shares for each \$1,000 principal amount of Debentures. In order to effect this conversion, a Debentureholder should complete and sign the CONVERSION NOTICE on the Debenture, or a substantially similar notice, and deliver the Debenture and signed notice, (i) (by hand) to The First National Bank of Chicago, Corporate Trust Unit, 40 West Adams Street, Chicago, Illinois, or (ii) by mail to The First National Bank of Chicago, Corporate Trust Unit, 40 West Adams Street, Chicago, Illinois 60670, or (iii) subject to any laws or regulations applicable thereto in the country of any such office to the offices of the additional Paying and Conversion Agents set forth below. Upon conversion of Debentures, no payment or adjustment will be made on account of any interest accrued thereon or on account of any dividends on the Company Common Stock issued upon such conversion. A Debentureholder who converts his Debentures becomes a shareholder of record on the date of conversion for the purpose of determining shareholders of record for distributions and other purposes, and will be eligible to receive any future dividends declared on the Company Common Stock. Debentures delivered for conversion must be accompanied by all interest coupons maturing after the date of surrender. No fractional shares are issuable upon conversion. Debentureholders will receive cash, in lieu of any fractional shares, in an amount equal to such fraction multiplied by the last reported sale price of the Common Stock, regular way, on the New York Stock Exchange on the day upon which Debentures are surrendered for conversion.

Pursuant to a Standby Agreement, Drexel Burnham Lambert Incorporated and Blyth Eastman Paine Webber Incorporated (the "Standby Group") have agreed with the Company and Finance to purchase Company Common Stock for an amount equal to the redemption price plus accrued interest for any Debentures which are either (i) surrendered for redemption or (ii) not duly surrendered for redemption or conversion. A Debentureholder who wishes to redeem or convert Debentures should not tender Debentures directly to the Standby Group but should follow the directions given above.

### IMPORTANT INFORMATION FOR DEBENTUREHOLDERS

From August 1, 1982 through May 2, 1983, the Company Common Stock traded on the New York Stock Exchange at prices ranging from \$9.50 to \$28.00 per share. The closing price of the Company Common Stock on the New York Stock Exchange on May 2, 1983, was \$24.25 per share. At such closing price per share, the holder of \$1,000 principal amount of Debentures would receive, upon conversion, shares of Company Common Stock and cash for the fractional interest having an aggregate value of \$1,302.23. However, such value is subject to change depending on changes in the market price of Company Common Stock. SO LONG AS THE MARKET PRICE OF THE COMPANY COMMON STOCK IS \$20.00 OR MORE PER SHARE, DEBENTUREHOLDERS UPON CONVERSION WILL RECEIVE COMPANY COMMON STOCK AND CASH IN LIEU OF ANY FRACTIONAL INTEREST HAVING A GREATER MARKET VALUE THAN THE CASH WHICH THEY WOULD RECEIVE UPON REDEMPTION. FAILURE TO SURRENDER DEBENTURES FOR CONVERSION BEFORE THE CLOSE OF BUSINESS ON MAY 27, 1983 WILL AUTOMATICALLY RESULT IN REDEMPTION BY FINANCE ON JUNE 1, 1983 AT A PRICE OF \$1,072.11 FOR EACH \$1,000 PRINCIPAL AMOUNT OF DEBENTURES.

### ADDITIONAL PAYING AND CONVERSION AGENTS

First Chicago International,  
New York Branch  
767 Fifth Avenue  
New York, New York 10153  
Telephone: (212) 371-8500

Banque Internationale e  
Luxembourg S.A.  
2 Boulevard Royal  
Luxembourg, Luxembourg  
Telephone: 47911

Banque Bruxelles Lambert  
Avenue Marnix 24  
B-1050 Brussels, Belgium  
Attention: International Dept.  
Telephone: (02) 513.81.81

The First National Bank of Chicago  
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For Anixter International Finance N.V. For Anixter Bros., Inc.  
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Managing Director President and Chief Executive Officer

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**PERSONAL BANKING  
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هكذا اعتدوا على

## Frenchman Betters Solo Sailing Record

white polo shirt and faded blue jeans, Jeantot said the only time he felt lonely was in the Southern Ocean near Antarctica dodging icebergs in deep fog for 13 days.

Asked if he had advice for anyone contemplating a solo circumnavigation of world, Jeantot said, "Do it — that's all."

Asked why he'd done it, he replied, "Why not?"

Jeantot, who celebrated his 31st birthday Sunday at sea, wished his fellow racers "a good steak, a shower and a good bed."



Philippe Jeantot

[illegible][illegible][illegible]

**HOUSTON (AP)** — David Graham charged from five shots off the pace Sunday with a seven-under-par 64 to win the Houston Open golf tournament by five strokes.

Starting the final round tied for eighth after a frustrating 73 Saturday, Graham finished with a 72-hole total of nine-under 275.

Lee Trevino, who began the day one shot off the lead, had a 73 that set him for second with Lee Elder (a 69) and Jim Thorpe (70) at 280. David Edwards's 69 put him alone in fifth at 281. After skying to 77, third-round leader Doug Tewell finished at 283.

**Transition**

**BASEBALL**

**MINNESOTA** — Leonard Leepore

**CINCINNATI** — Trained Rafael Landrum; infielder, to Los Angeles for Brazil Vets and John Francis; pitchers, Outlined Ben Howe, pitcher, and Wise is Indianapolis of the American Association, Sent Francis outright to Indianapolis.

**SAN FRANCISCO** — Recaptured Mike Krutka, pitcher, from the disabled list.

**GEORGIA ST.** — Announced the redemption of Francis Briles, athletic director.

**CASAS** — Alarmed Jim Heiner, port-hat assistant basketball coach.

**MICHIGAN** — Named Bob Darden men's head gymnastics coach.

**INDIANA** — Alarmed Bruce Horvath head basketball coach.

**OAKLAND, California** — Quarterback Jimmy Jordan threw first-half touchdowns passes to Eric Buggs and Eric Wylliams and the Tampa Bay defense held off the Oakland Raiders in the final quarter as the Bandits posted a 17-10 United States Football League victory here Sunday.

In Chicago, Kevin Long and Tim Spencer both ran for two touchdowns as the Blitz trounced Washington, 31-3. In Philadelphia, David Trout kicked field goals of 53 and 18 yards, the second with 13:52 left to play, to lead the Stars to a 6-3 victory over Denver.

**BASEBALL**  
**Northwest League**  
**INAT**—Traded Rafael Landrau, of Los Angeles for Brett Wise and two pitchers. Options Ben Maves, and Wise to Indianapolis of the Association. Sent Franco outright to Seattle.  
**FRANCISCO**—Reactivated Mike Kuchar, from the disabled list.  
**COLLEGE**  
**IA ST.**—Announced the resignation of Bridges, athletic director.  
**—**Named Jim Haney, part-time basketball coach.  
**—**Named Bob Darden men's basketball coach.  
**LUTHERAN**—Named Bruce Head basketball coach.

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